

AMENDED IN SENATE AUGUST 25, 2005

AMENDED IN SENATE JULY 6, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

## ASSEMBLY BILL

**No. 128**

**Introduced by Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Dymally, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)**

January 13, 2005

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~~An act to amend Sections 2558.46, 8484.7, 8484.8, 41203.1, 42238.146, 44219, 44227, 44244, 52055.600, 52055.605, 52055.610, 52055.650, 52058, 56504.5, 56836.11, 56836.155, 56836.165, and 69522 of, to add Sections 44242.3 and 84754.5 to, and to add Article 5.6 (commencing with Section 69616) to Chapter 2 of Part 42 of, the Education Code, to amend Section 17581.5 of the Government Code, to amend Section 1529.2 of the Health and Safety Code, to amend Section 270 of the Public Utilities Code, and to amend Section 903.7 of the Welfare and Institutions Code, relating to education finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately. An act to amend Section 37252 of, and to add Section 37254 to, the Education Code, and to amend Items 6110-161-0001, 6110-161-0890, and 6110-243-0001, and to add Item 6110-204-0001 to Section 2.00 of Chapter 38 of the Statutes of 2005, the Budget Act of 2005, relating to education finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.~~

### LEGISLATIVE COUNSEL'S DIGEST

AB 128, as amended, Committee on Budget. Education finance.

*(1) Existing law requires the Superintendent of Public Instruction, with the approval of the State Board of Education, to develop the California High School Exit Examination in English language arts and mathematics in accordance with state academic content standards. Existing law requires, commencing with the 2003–04 school year and each school year thereafter, each pupil completing grade 12 to successfully pass the exit examination as a condition of graduation from high school.*

*Existing law requires the governing board of each school district maintaining any or all of grades 2 to 9, inclusive, to offer, and authorizes a charter school to offer, programs of direct, systematic, and intensive supplemental instruction to pupils enrolled in grades 1 to 9, inclusive, who have been recommended for retention or who have been retained, and authorizes a school district or charter school to require a pupil who has been retained to participate in supplemental instructional programs.*

*This bill would provide specified funding for eligible pupils, as defined, who are required to pass the California High School Exit, to be used for intensive instruction and services for those pupils, and provides for the allocation of those funds to schools. The bill would make an appropriation as it would revise items of the Budget Act of 2005 to provide funds for this purpose. The bill would also make an appropriation as it would provide that funds received for supplemental instruction may also be used for these purposes.*

*(2) Existing law, the Budget Act of 2005, appropriates certain funds for purposes of special education instruction to fund the costs of children placed in licensed children's institutions who attend nonpublic schools based on a funding formula specified in existing law, and appropriates funds for various special education purposes.*

*This bill would make an appropriation as it would revise the amounts available for these purposes and would place certain requirements on the use of these funds.*

*(3) The bill would declare that it is to take effect immediately as an urgency statute.*

~~(1) Existing law requires a revenue limit to be calculated for each school district and each county superintendent of schools and requires the amount of the revenue limit to be adjusted for various factors. Existing law requires the Superintendent of Public Instruction to take into account the revenue limit of a school district and county superintendent of schools when apportioning funding to school~~

~~districts and county superintendents of schools. Existing law reduces the revenue limit for the 2005-06 fiscal year by a deficit factor of 0.323% for both county superintendents of schools and school districts, and further reduces that revenue limit for those entities for the 2004-05 fiscal year by a deficit factor of 1.826%. Existing law requires the revenue limit computation for the 2006-07 fiscal year to be made as if the revenue limits for the 2003-04, 2004-05, and 2005-06 fiscal years had been determined without being reduced.~~

~~This bill would instead reduce the revenue limit for a county superintendent of schools and school district for the 2005-06 fiscal year by a deficit factor of 0.901%, reduce the revenue limit for a school district for the 2005-06 fiscal year by 0.909%, further reduce the revenue limit for each county superintendent of schools for the 2006-07 fiscal year by a 0.901% deficit factor, and for each school district by a 0.909% deficit factor, and, as to a county superintendent of schools and a school district, would postpone to the 2007-08 fiscal year the requirement that revenue limits be computed as if the reductions had not been made.~~

~~(2) Existing law establishes the After School Education and Safety Program to create incentives to establish locally driven before and after school enrichment programs for pupils in kindergarten and grades 1 to 9, inclusive.~~

~~Existing law states the intent of the Legislature that federally funded 21st Century Community Learning Centers complement the existing After School Education and Safety Program by utilizing the existing funding provided under that existing program, and to provide the local flexibility needed to implement the federal 21st Century Community Learning Centers program through direct grants. Existing law, in accordance with the 21st Century Community Learning Centers program contained in the federal No Child Left Behind Act of 2001, allocates funds appropriated by the Budget Act of 2002 and prescribes requirements related to the allocation of funds, including that a core funding grant conform to the per pupil rate established by the After School Education and Safety Program, that funding for a grant be allocated in annual increments for a period not to exceed 5 years, that 2nd year core funding be fully allocated if a program achieves no less than 85% of the proposed pupil attendance, and that subsequent year core funding be fully allocated if a program achieves no less than 100% of the proposed pupil attendance.~~

This bill would make an appropriation by instead permitting 15% of the initial annual grant to be utilized for startup costs, and 15% of each annual grant for administrative costs, as specified.

~~(3) Existing law requires, for the 1990-91 fiscal year and each fiscal year thereafter, that moneys to be applied by the state for the support of school districts and community college districts be distributed in accordance with certain calculations governing the proration of those moneys among the 3 segments of public education. Existing law makes this provision inapplicable to the fiscal years between the 1992-93 and 2003-04 fiscal years, inclusive.~~

This bill would, in addition, make this provision inapplicable to the 2005-06 fiscal years, inclusive.

~~(4) Existing law requires the Commission on Teacher Credentialing to meet at least once each month in no fewer than 10 months each year and authorizes the chairperson of the commission, with the approval of the commission, to call additional meetings.~~

This bill would instead require the commission to meet as deemed appropriate and necessary by the chairperson and the executive committee to accomplish its duties, but to meet no fewer than once each quarter of the year.

~~(5) Existing law authorizes the Commission on Teacher Credentialing to approve any institution of higher education whose teacher education program meets the standards prescribed by the commission and the institution to recommend to the commission the issuance of credentials to persons who have successfully completed those programs.~~

This bill, in addition, would require an institution of higher education whose teacher education program has been accredited by the commission to approve and electronically submit credential applications to the commission, and would require the commission to grant credentials to these applicants based upon that approval.

~~(6) Existing law requires that each allegation of an act or omission by an applicant for, or holder of, a credential for which he or she may be subject to an adverse action be presented to the Committee of Credentials for an investigation, as specified.~~

This bill would provide that an applicant, as defined, who is subject to investigation by the committee is required to receive notice of the investigation and an opportunity to respond to the allegations in writing. The bill would require the committee to grant or recommend denial of the application based on the information discovered during

the investigation and the applicant's response. The bill would provide that the applicant may appeal the committee's recommendation of a denial of the application.

~~(7) Existing law authorizes the Committee of Credentials to conduct an initial review, as provided, regarding an allegation of misconduct of an applicant for, or holder of, a credential. Existing law requires a formal review to be held no later than 6 months after the commencement of the initial review and requires the committee to make its recommendation in writing and to deliver a copy of the recommendation to the credential holder or applicant personally or sent to him or her by registered mail within 14 days after the formal review.~~

~~This bill would delete the requirement that the mail be registered.~~

~~(8) Existing law establishes the High Priority Schools Grant Program within the Public Schools Accountability Act of 1999. Existing law requires the Superintendent to allocate \$400 per pupil, from funds made available for purposes of the program, including funds received for the federal Comprehensive School Reform Demonstration Program, to eligible schools for implementation of a school action plan approved pursuant to the program.~~

~~This bill would authorize a schoolsite, in the first year of participation, to receive a total of \$33.33 per pupil for each month remaining in any fiscal year, beginning in the month immediately following the date of approval by the State Board of Education of the action plan, instead of \$400 per pupil.~~

~~(9) Under the High Priority Schools Grant Program, the Superintendent, with the approval of the state board, is required to identify schools ranked in deciles 1 to 5, inclusive, on the Academic Performance Index (API), and to invite those schools to participate in the program. Under the existing program, in order to be eligible for funding from the program, a school is also required to participate in the Immediate Intervention/Underperforming Schools Grant Program.~~

~~This bill would require the Superintendent, if funds are available for this purpose, to invite a second cohort of schools identified pursuant to the above provisions to be ranked in deciles 1 to 5, inclusive, to participate in the High Priority Schools Grant Program beginning in the 2005-06 fiscal year, and would not require these schools to participate in the Immediate Intervention/Underperforming Schools Grant Program in order to be eligible for funding.~~

~~Existing law establishes a system of priority for participation in the program, with highest priority given to the schools ranked in API decile 1.~~

~~This bill would provide that schools either receiving or that have received funding pursuant to this program or the Immediate Intervention/Underperforming Schools Program are ineligible to participate in a subsequent cohort of schools funded pursuant to this program.~~

~~(10) Existing law requires the Superintendent to establish a procedure for the approval of applications and school actions plans pursuant to the High Priority Schools Grant Program.~~

~~This bill would establish deadlines for school districts to submit applications and school action plans to the Superintendent with respect to the second cohort of schools.~~

~~(11) Existing law establishes timeframes within which a school, after receipt of funding for implementation of the action plan, is required to meet its growth targets under the High Priority Schools Grant Program.~~

~~This bill would revise those dates, and would also establish growth target deadlines for a school that receives funds pursuant to the program during the 2005-06 or 2006-07 fiscal year.~~

~~(12) Existing law requires the Superintendent to develop, and the state board to approve, the guidelines for a request for proposal for an independent evaluator to prepare a comprehensive evaluation of the implementation, impact, costs, and benefits of the Immediate Intervention/Underperforming Schools Program and the High Achieving/Improving Schools Program, and to disseminate the results of that report to the Legislature, the Governor, and interested parties, as prescribed. Existing law requires biennial evaluations of those programs established under the Public Schools Accountability Act of 1999.~~

~~This bill would delete those provisions of existing law.~~

~~(13) Existing law requires school districts, county offices of education, and special education local plan areas to comply with state laws that conform to the federal Individuals with Disabilities Education Act, in order that the state may qualify for federal funds available for the education of individuals with exceptional needs.~~

~~Existing law provides procedural safeguards, including mediation and due process hearings, for the resolution of complaints regarding alleged violations of the law relative to special education. Existing law~~

requires the State Department of Education to contract with a single, nonprofit organization or entity to conduct mediation conferences and due process hearings.

~~This bill would instead require the department to enter into an interagency agreement with another state agency or contract with a nonprofit organization or entity to conduct mediation conferences and due process hearings. The bill would require the agency or contractor to provide hearings and mediations consistent with applicable federal and state laws and regulations, and any other applicable legal authorities. The bill would require the Superintendent of Public Instruction to adopt regulations that establish standards for components of this interagency agreement or contract, as specified in the bill.~~

~~(14) Existing law provides a method of determining the statewide target amount per unit of average daily attendance for special education local plan areas for the 1999-2000 fiscal year and each fiscal year thereafter.~~

~~This bill would provide a method of determining, for the 1999-2000 fiscal year to the 2004-05 fiscal year, inclusive, for the 2005-06 fiscal year, and for the 2006-07 fiscal year and each fiscal year thereafter, the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing a certain inflation adjustment and growth.~~

~~(15) Existing law adjusts funding for individuals with exceptional needs based on an incidence multiplier, as defined, for each special education local plan area.~~

~~This bill would continue the current special education incidence factor formula through the 2005-06 fiscal year.~~

~~(16) Existing law requires the Superintendent to, for the 2004-05 fiscal year and each fiscal year thereafter, calculate for each special education local plan area a certain amount based on, among other things, the number of children and youth residing in foster family homes and foster family agencies.~~

~~This bill would also include those residing in small family homes.~~

~~Existing law also requires the above calculation to be based on the number of youth ages 18 through 21 referred by the State Department of Developmental Services who are residing in community care facilities licensed by the State Department of Social Services.~~

~~This bill would change the age reference to children and youth ages 3 through 21.~~

~~Existing law requires the State Department of Education to calculate, for each fiscal year, an out-of-home care funding amount for each special education local plan area, as provided.~~

~~This bill would revise that method of calculation to include the number of children and youth residing in small family homes and to include the number of children and youth ages 3 through 21 referred by the State Department of Developmental Services who are residing in licensed community care facilities.~~

~~(17) Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. Existing law authorizes the commission to carry out prescribed tasks, and authorizes the commission to establish an auxiliary organization for the purpose of providing operational and administrative services for the commission's participation in the Federal Family Education Loan Program.~~

~~Under existing law, the operations of the auxiliary organization are required to be conducted in conformity with an operating agreement approved, for a period not to exceed 5 years, by the commission. Existing law requires the commission to provide a copy of the proposed operating agreement to the Department of Finance for its review and comment prior to the approval of that agreement.~~

~~This bill would also require the commission to provide a copy of the proposed operating agreement to the Joint Legislative Budget Committee.~~

~~(18) Existing law establishes an assumption program of loans for education, administered by the Student Aid Commission, under which any person enrolled in a participating institution of postsecondary education, or any person who agrees to participate in a teacher trainee or teacher internship program, is eligible to receive a conditional warrant for loan assumption, to be redeemed pursuant to a prescribed procedure upon becoming employed as a teacher. One of the conditions of eligibility in this loan assumption program is that the applicant agrees to teach in a public school for at least 3 consecutive academic years after obtaining a teaching credential. The program provides for a progressive assumption of the amount of the loan over 3 years of teaching service, up to a total loan assumption of \$8,000.~~

~~This bill would establish the State Nursing Assumption Program of Loans for Education (SNAPLE), to be administered by the commission, under which any person enrolled in an institution of~~



~~postsecondary education and participating in the loan assumption program established under the bill would be eligible to receive a conditional warrant for loan assumption, to be redeemed pursuant to the bill upon becoming employed as a full-time nursing faculty member at a California college or university. The bill would, among other things, establish eligibility requirements, limit each participant in the program to one loan assumption agreement, and provide for a progressive assumption of the amount of the loan over 3 years of teaching, up to a total loan assumption of \$25,000. The bill would require the commission to report annually to the Legislature and would state the intent of the Legislature that, commencing with the 2006-07 fiscal year, funding necessary for the administration of the program shall be included within the annual budget act of the commission.~~

~~(19) Existing law authorizes the establishment of community college districts under the administration of community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state. An item of the Budget Act of 2004 appropriated, among other amounts, \$193,591,000 from the General Fund to the board of governors for allocation to community college districts for general apportionment funding.~~

~~Existing law requires the board of governors to provide recommendations, based on information to be developed in a study to be conducted by the Chancellor of the California Community Colleges, to the Legislature and the Governor regarding the design of a workable structure for the annual evaluation of district-level performance in meeting statewide educational outcome priorities, including the priorities consistent with the appropriation referenced above.~~

~~This bill would require that, as a condition of receiving specified funds in the annual Budget Act to encourage district-level accountability efforts, community college districts provide data, in a format and according to a schedule to be specified by the chancellor's office, for the purpose of an annual report that the bill would require the chancellor to provide to the Legislature, the Governor, the Department of Finance, and the Office of the Legislative Analyst. This data would also be provided for purposes of providing the means for both internal and external assessment of the district's educational offerings in meeting the high-priority educational goals of the state.~~

~~The bill would authorize the chancellor to withhold, delay, or reduce specified funds provided in the annual Budget Act to encourage district-level accountability efforts.~~

~~(20) Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including school districts, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions.~~

~~Existing law provides that a school district may not be required to implement or give effect to a statute imposing a state mandate for a specified period if it is identified by the Legislature in the Budget Act as being suspended. Existing law provides that this suspension provision is applicable only to specified mandates.~~

~~This bill would additionally make this suspension provision applicable to state mandates relating to certain grand jury proceedings.~~

~~(21) Existing law requires the State Department of Social Services to license community care facilities, including facilities that provide foster care services for children. Existing law regulates foster family homes and provides for their licensure by certified foster family agencies, the county, or the State Department of Social Services.~~

~~Existing law requires the Department of Child Support Services to authorize the quarterly transfer of any portion of an amount equivalent to the “state share of collections” attributable to the enforcement of parental fiscal liability and requires the department to authorize the transfer of any portion of that amount for any particular fiscal year exceeding \$3,750,000 to the Treasurer for deposit in the Foster Children and Parent Training Fund, except as specified. Under existing law, if sufficient moneys are available in the Foster Children and Parent Training Fund, up to \$3,000,000 shall be allocated for the support of foster parent training programs conducted by community colleges, and the chancellor is required to use those funds exclusively for foster parent training, as specified.~~

~~This bill would provide that the above provisions of existing law are operative through the 2004-05 fiscal year and, thereafter, operative only if specified in the annual Budget Act, thereby deleting the above-described appropriation after the 2004-05 fiscal year.~~

~~Existing law requires, in addition to the foster parent training provided pursuant to the above-described existing law, that foster family agencies supplement the community college training by providing a program of training for their certified foster families.~~

~~This bill would eliminate from these provisions reference to the above-described existing law authorizing a quarterly transfer of any portion of an amount equivalent to the “state share of collections” and the allocation of up to \$3,000,000 from the Foster Children and Parent Training Fund for the support of foster parent training programs conducted by community colleges, and would require foster family agencies to provide a program of training for their certified foster parents, in addition to the foster parent training provided by community colleges.~~

~~(22) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Existing law authorizes the commission to fix just and reasonable rates and charges. Existing law establishes the California High-Cost Fund-A Administrative Committee Fund, the California High-Cost Fund-B Administrative Committee Fund, the Universal Lifeline Telephone Service Trust Administrative Committee Fund, the Deaf and Disabled Telecommunications Program Administrative Committee Fund, the Payphone Service Providers Committee Fund, and the California Teleconnect Fund Administrative Committee Fund in the State Treasury.~~

~~Existing law requires that the moneys in these funds may be expended pursuant to specified law, upon appropriation in the annual Budget Act.~~

~~Until January 1, 2006, existing law provides that moneys in each of the above-described funds may not be appropriated, or in any other manner transferred or otherwise diverted, to any other fund or entity, except to accomplish specified telecommunications universal service programs. Commencing on January 1, 2006, existing law requires moneys in each of the above-described funds may not be appropriated, or in any other manner transferred or otherwise diverted, to any other entity or fund.~~

~~This bill, in addition, would authorize the appropriation, transfer, or diversion of moneys in these funds to another fund or entity pursuant to existing law that authorizes the State Librarian to provide specified toll-free telephone services for registered patrons of the federally designated regional libraries for the blind and physically handicapped, to provide toll-free telephone access to telephonic reading systems for individuals with print disabilities who are registered patrons of the federally designated regional libraries for the blind and physically handicapped, or to operate a telephonic reading system or to fund the~~

~~operation of telephonic reading systems operated by qualifying entities, or both, pursuant to an appropriation in the annual Budget Act and in accordance with the above-described funds, the telephonic reading system is to be funded from the Deaf and Disabled Telecommunications Program Administrative Committee Fund.~~

~~(23) This bill would require the Superintendent to reduce, by \$1,126,000, funding for basic aid school districts from categorical education funds that are appropriated in the Budget Act of 2005. The bill would require the Superintendent by June 26, 2006, to report to the Controller and the Director of Finance the amount to be reduced from each categorical education program and identify the corresponding item of appropriation in the Budget Act of 2005. The bill would provide that on June 30, 2006, the amounts appropriated by those items are reduced by the amounts reported by the Superintendent. The bill would require that the reductions be reductions in the amounts appropriated for purposes of satisfying the minimum annual funding obligation for school districts and community colleges required under the California Constitution for the 2005-06 fiscal year.~~

~~(24) This bill would provide that the cost-of-living adjustment for specified items of the Budget Act of 2005 is 4.23%, and that all funds appropriated in those items are in lieu of the amounts that would otherwise be appropriated pursuant to any other law.~~

~~(25) This bill would make specified funds appropriated pursuant to the Budget Act of 2004 available for liquidation through July 31, 2007, and the Budget Act of 2005 available for liquidation through July 31, 2008. The bill would revert the funds unexpended after those dates to the Proposition 98 Reversion Account.~~

~~(26) This bill would appropriate \$605,094,000 from the General Fund to the State Department of Education for expenditure during the 2006-07 fiscal year, in specified amounts, for apprentice programs; supplemental instruction, regional occupational centers and programs; home-to-school transportation, the Gifted and Talented Pupil Program, the Targeted Instructional Improvement Block Grant, adult education, community day schools, categorical programs for charter schools, the School Safety Program, and the Pupil Retention Block Grant, and \$200,000,000 would be appropriated for the 2006-07 fiscal year to the Board of Governors of the California Community Colleges for general apportionments, as specified in the Budget Act of 2005.~~

~~The bill would appropriate \$16,811,000 for the 1995-96, 1996-97, and 2002-03 fiscal years to the Controller to pay for prior year state obligations for K-12 and community college mandate claims and interest, as provided. The bill would provide that these funds are deemed to be in partial satisfaction of certain outstanding balances and in lieu of certain amounts.~~

~~The bill would provide that for the purposes of satisfying the minimum annual funding obligation for school districts and community college districts required under the California Constitution, these amounts are General Fund revenues appropriated for school districts and community college districts.~~

~~(27) This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 37252 of the Education Code is  
2     amended to read:  
3     37252. (a) The governing board of each *school* district  
4     maintaining any or all of grades 7 to 12, inclusive, shall offer,  
5     and a charter school may offer, supplemental instructional  
6     programs for pupils enrolled in grades 7 to 12, inclusive, who do  
7     not demonstrate sufficient progress toward passing the exit  
8     examination required for high school graduation pursuant to  
9     Chapter 8 (commencing with Section 60850) of Part 33.  
10    (b) Sufficient progress, as described in subdivision (a), shall  
11    be determined on the basis of either of the following:  
12    (1) The results of the assessments administered pursuant to  
13    Article 4 (commencing with Section 60640) of Chapter 5 of Part  
14    33 and the minimum levels of proficiency recommended by the  
15    ~~State Board of Education~~ *state board* pursuant to Section 60648.  
16    (2) The pupils' grades and other indicators of academic  
17    achievement designated by the district.  
18    (c) For purposes of this section, a pupil shall be considered to  
19    be enrolled in a grade immediately upon completion of the  
20    preceding grade. Supplemental instruction may also be offered to  
21    a pupil who was enrolled in grade 12 during the prior school  
22    year.

(d) For the purposes of this section, pupils who do not possess sufficient English language skills to be assessed, as set forth in Sections 60850 and 60853, shall be considered pupils who do not demonstrate sufficient progress towards passing the exit examination required for high school graduation and shall receive supplemental instruction designed to assist pupils to succeed on the high school exit examination.

(e) ~~Instructional~~—*Except as provided in subdivision (h),* programs may be offered pursuant to this section during the summer, before school, after school, on Saturday, or during intersession, or in any combination of summer, before school, after school, Saturday, or intersession instruction, but shall be in addition to the regular schoolday. Any minor pupil whose parent or guardian informs the school district that the pupil is unable to attend a Saturday school program for religious reasons, or any pupil 18 years of age or older who states that he or she is unable to attend a Saturday school program for religious reasons, shall be given priority for enrollment in supplemental instruction offered at a time other than Saturday over a pupil who is not unable to attend a Saturday school program for religious reasons.

(f) A school district or charter school offering supplemental instructional programs pursuant to this section shall receive funding as described in Section 42239 and in the annual Budget Act.

(g) Notwithstanding any other provision of law, neither the State Board of Education nor the Superintendent of Public Instruction may waive any provision of this section.

(h) *Funds received for supplemental instruction pursuant to this section may also be used to provide intensive instruction and services to eligible pupils pursuant to Section 37254.*

*SEC. 2. Section 37254 is added to the Education Code, to read:*

*37254. (a) For purposes of this section, "eligible pupil" means a pupil who is required to pass the California High School Exit Examination required for high school graduation pursuant to Chapter 8 (commencing with Section 60850) of Part 33, and who has failed one or both parts of that examination. For the 2005–06 fiscal year, an eligible pupil does not include a pupil who receives services related to the passage of the examination*

1 *pursuant to Provision 24 of Item 6110-161-0001 of Section 2.00*  
2 *of Chapter 38 of the Statutes of 2005.*

3 *(b) The Superintendent shall rank schools on the basis of the*  
4 *percentage of eligible pupils. The Superintendent may give*  
5 *priority to schools with the highest percentage of eligible pupils*  
6 *who have failed both parts of the examination.*

7 *(c) From the funds appropriated for purposes of this section,*  
8 *the Superintendent shall apportion six hundred dollars (\$600)*  
9 *per eligible pupil to school districts on behalf of schools*  
10 *identified pursuant to subdivision (b) in the order determined by*  
11 *the Superintendent until the funds are exhausted. The amount per*  
12 *eligible pupil shall be increased annually by the percentage*  
13 *determined in paragraph (2) of subdivision (b) of Section*  
14 *42238.1.*

15 *(d) (1) The funds apportioned pursuant to subdivision (c) shall*  
16 *be used to provide intensive instruction and services designed to*  
17 *help eligible pupils pass the California High School Exit*  
18 *Examination.*

19 *(2) Intensive instruction and services may be provided during*  
20 *the regular schoolday provided that they do not supplant the*  
21 *instruction of the pupil in the core curriculum areas as defined in*  
22 *paragraph (5) of subdivision (a) of Section 60603, or physical*  
23 *education instruction.*

24 *(3) Intensive instruction and services may include, but are not*  
25 *limited to, all of the following:*

26 *(A) Individual or small group instruction.*

27 *(B) The hiring of additional teachers.*

28 *(C) Purchasing, scoring, and reviewing diagnostic*  
29 *assessments.*

30 *(D) Counseling.*

31 *(E) Designing instruction to meet specific needs of eligible*  
32 *pupils.*

33 *(F) Appropriate teacher training to meet the needs of eligible*  
34 *pupils.*

35 *(e) As a condition of receiving funds pursuant to subdivision*  
36 *(c), the school district shall accomplish all of the following:*

37 *(1) Ensure that each eligible pupil receives an appropriate*  
38 *diagnostic assessment to identify that pupil's areas of need.*

39 *(2) Ensure that each pupil receives intensive instruction and*  
40 *services based on the results of the diagnostic assessment.*

(3) *Demonstrate that funds will be used to supplement and not supplant existing services.*

(4) *Provide to the Superintendent of Public Instruction, in a manner and by a date certain determined by the Superintendent, the number of eligible pupils at each high school in the school district.*

(5) *Submit an annual report to the Superintendent in a manner determined by the Superintendent that describes the number of pupils served, the types of services provided, and the percentage of pupils in the school district who successfully pass the California High School Exit Examination.*

SEC. 3. *Item 6110-161-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:*

6110-161-0001—For local assistance, Department of Education (Proposition 98), Program 10.60-Special Education Programs for Exceptional Children ..... 2,890,022,000

Schedule:

(1) 10.60.050.003-Special education instruction ..... 2,826,428,000

(2) 10.60.050.080-Early Education Program for Individuals with Exceptional Needs ..... 77,989,000

(3) Reimbursements for Early Education Program, Part C ..... -14,395,000

Provisions:

1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount that otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 2005–06 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 (commencing with Section 56000) of the Education Code, superseding all prior law.



2. Of the funds appropriated in Schedule (1) of this item, \$11,428,000, plus any COLA, shall be available for the purchase, repair, and inventory maintenance of specialized books, materials, and equipment for pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
3. Of the funds appropriated in Schedule (1) of this item, \$8,826,000, plus any COLA, shall be available for the purposes of vocational training and job placement for special education pupils through Project Workability I pursuant to Article 3 (commencing with Section 56470) of Chapter 4.5 of Part 30 of the Education Code. As a condition of receiving these funds, each local educational agency shall certify that the amount of nonfederal resources, exclusive of funds received pursuant to this provision, devoted to the provision of vocational education for special education pupils shall be maintained at or above the level provided in the 1984–85 fiscal year. The Superintendent of Public Instruction may waive this requirement for local educational agencies that demonstrate that the requirement would impose a severe hardship.
4. Of the funds appropriated in Schedule (1) of this item, \$4,612,000, plus any COLA, shall be available for regional occupational centers and programs that serve pupils having disabilities, and \$77,055,000, plus any COLA, shall be available for regionalized program specialist services, \$1,807,000, plus any COLA, for small special education local plan areas (SELPAs) pursuant to Section 56836.24 of the Education Code.
5. Of the funds appropriated in Schedule (1), \$1,000,000 is provided for extraordinary costs associated with single placements in nonpublic, nonsectarian schools, pursuant to Section 56836.21 of the Education Code.

- 1       6. Of the funds appropriated in Schedule (1), a total of  
2       ~~\$183,196,000~~ *\$178,180,000*, plus any COLA, is  
3       available to fund the ~~costs of children placed in li-~~  
4       ~~icensed children's institutions who attend nonpublic~~  
5       ~~schools based on the~~ *out-of-home care* funding for-  
6       mula authorized in Chapter 914 of the Statutes of  
7       2004.
- 8       7. Of the amount appropriated in Schedule (2) of this  
9       item, \$514,000, plus any COLA, shall be available  
10      for infant program growth units (ages birth–two  
11      years). Funds for infant units shall be allocated pur-  
12      suant to Provision 11 of this item, with the follow-  
13      ing average number of pupils per unit:  
14      (a) For special classes and centers—16.  
15      (b) For resource specialist programs—24.  
16      (c) For designated instructional services—16.
- 17      8. Notwithstanding any other provision of law, early  
18      education programs for infants and toddlers shall  
19      be offered for 200 days. Funds appropriated in  
20      Schedule (2) shall be allocated by the State Depart-  
21      ment of Education for the 2005–06 fiscal year to  
22      those programs receiving allocations for in- struc-  
23      tional units pursuant to Section 56432 of the Educa-  
24      tion Code for the Early Education Program for Indi-  
25      viduals with Exceptional Needs operated pursuant  
26      to Chapter 4.4 (commencing with Section 56425)  
27      of Part 30 of the Education Code, based on comput-  
28      ing 200-day entitlements. Notwithstanding any oth-  
29      er provision of law, funds in Schedule (2) shall be  
30      used only for the purposes specified in Provisions  
31      10 and 11 of this item.

- 1 9. Notwithstanding any other provision of law, state  
2 funds appropriated in Schedule (2) of this item in  
3 excess of the amount necessary to fund the deficit-  
4 ed entitlements pursuant to Section 56432 of the  
5 Education Code and Provision 10 of this item shall  
6 be available for allocation by the State Department  
7 of Education to local educational agencies for the  
8 operation of programs serving solely low-incidence  
9 infants and toddlers pursuant to Title 14 (commenc-  
10 ing with Section 95000) of the Government Code.  
11 These funds shall be allocated to each local educa-  
12 tional agency for each solely low-incidence child  
13 through age two in excess of the number of solely  
14 low-incidence children through age two served by  
15 the local educational agency during the 1992–93  
16 fiscal year and reported on the April 1993 pupil  
17 count. These funds shall only be allocated if the  
18 amount of reimbursement received from the State  
19 Department of Developmental Services is insuffi-  
20 cient to fully fund the costs of operating the Early  
21 Intervention Program, as authorized by Title 14  
22 (commencing with Section 95000) of the Govern-  
23 ment Code.
- 24 10. The State Department of Education, through coor-  
25 dination with the SELPAs, shall ensure local intera-  
26 gency coordination and collaboration in the provi-  
27 sion of early intervention services, including local  
28 training activities, child-find activities, public  
29 awareness, and the family resource center activi-  
30 ties.
- 31 11. Funds appropriated in this item, unless otherwise  
32 specified, are available for the sole purpose of  
33 funding 2005–06 special education program costs  
34 and shall not be used to fund any prior year adjust-  
35 ments, claims or costs.
- 36 12. Of the amount provided in Schedule (1), \$162,000,  
37 plus any COLA, shall be available to fully fund the  
38 declining enrollment of necessary small SELPAs  
39 pursuant to Chapter 551 of the Statutes of 2001.

- 1 13. Pursuant to Section 56427 of the Education Code,  
2 of the funds appropriated in Schedule (1) of this  
3 item, up to \$2,324,000 may be used to provide  
4 funding for infant programs, and may be used for  
5 those programs that do not qualify for funding pur-  
6 suant to Section 56432 of the Education Code.
- 7 14. Of the funds appropriated in Schedule (1) of this  
8 item, \$29,478,000 shall be allocated to local educa-  
9 tional agencies for the purposes of Project Worka-  
10 bility I.
- 11 15. Of the funds appropriated in Schedule (1) of this  
12 item, \$1,700,000 shall be used to provide special-  
13 ized services to pupils with low-incidence disabili-  
14 ties, as defined in Section 56026.5 of the Education  
15 Code.
- 16 16. Of the funds appropriated in Schedule (1) of this  
17 item, up to \$1,117,000 shall be used for a personnel  
18 development program. This program shall include  
19 state-sponsored staff development for special educa-  
20 tion personnel to have the necessary content knowl-  
21 edge and skills to serve children with disabilities.  
22 This funding may include training and services tar-  
23 geting special education teachers and related ser-  
24 vice personnel that teach core academic or multiple  
25 subjects to meet the applicable special education re-  
26 quirements of the Individuals with Disabilities Edu-  
27 cation Improvement Act of 2004.
- 28 17. Of the funds appropriated in Schedule (1) of this  
29 item, up to \$200,000 shall be used for research and  
30 training in cross-cultural assessments.
- 31 18. Of the amount specified in Schedule (1) of this  
32 item, \$31,000,000 shall be used to provide mental  
33 health services required by an individual education  
34 plan pursuant to the federal Individuals with Dis-  
35 abilities Education Act (20 U.S.C. Sec. 1400 et  
36 seq.) and pursuant to Chapter 493 of the Statutes of  
37 2004.
- 38 19. Of the amount provided in Schedule (1),  
39 ~~\$121,896,000~~ *\$121,199,000* is provided for a CO-  
40 LA at a rate of 4.23 percent.

- 1       20. Of the amount provided in Schedule (2),  
2             \$3,165,000 is provided for a COLA at a rate of  
3             4.23 percent.
- 4       21. Of the amount specified in Schedule (1) of this  
5             item, ~~\$12,800,000~~ \$58,377,000 shall be allocated to  
6             each SELPA based upon an equal amount per ADA  
7             and added to each SELPA's base funding as deter-  
8             mined pursuant to Chapter 854, Statutes of 1997,  
9             *and consistent with paragraphs (1) to (4), inclu-*  
10            *sive, of subdivision (b) of Section 56836.158 of the*  
11            *Education Code.*
- 12       22. Of the amount appropriated in this item,  
13             \$1,480,000 is available for the state's share of costs  
14             in the settlement of Emma C. v. Delaine Eastin, et  
15             al. (N.D. Cal. No. C96-4179TEH). The State De-  
16             partment of Education shall report by January 1,  
17             2006, to the fiscal committees of both houses of the  
18             Legislature, the Department of Finance, and the  
19             Legislative Analyst's Office on the planned use of  
20             the additional special education funds provided to  
21             the Ravenswood Elementary School District pur-  
22             suant to this settlement. The report shall also pro-  
23             vide the State Department of Education's best esti-  
24             mate of when this supplemental funding will no  
25             longer be required by the court. The State Depart-  
26             ment of Education shall comply with the require-  
27             ments of Section 948 of the Government Code in  
28             any further request for funds to satisfy this settle-  
29             ment.

- 1       23. Of the funds appropriated in this item, \$2,500,000  
2       shall be allocated directly to special education local  
3       plan areas for a personnel development program  
4       that meets the highly qualified teacher require-  
5       ments and ensures that all personnel necessary to  
6       carry out this part are appropriately and adequately  
7       prepared, subject to the requirements of paragraph  
8       (14) of subdivision (a) of Section 612 of the Individ-  
9       uals with Disabilities Education Act of 2004  
10      (IDEA), and Section 2122 of the Elementary and  
11      Secondary Education Act of 1965. The local in-ser-  
12      vice programs shall include a parent training com-  
13      ponent and may include a staff training component,  
14      and may include a special education teacher compo-  
15      nent for special education service personnel and  
16      paraprofessionals, consistent with state certification  
17      and licensing requirements. Use of these funds  
18      shall be described in the local plans. These funds  
19      may be used to provide training in alternative dis-  
20      pute resolution and the local mediation of disputes.  
21      All programs are to include evaluation components.
- 22      24. Of the amount appropriated in Schedule (1),  
23      ~~\$47,852,000~~ \$52,610,000 is available for the  
24      2005–06 fiscal year ~~on a one-time basis~~. *in accor-*  
25      *dance with both of the following:*  
26      (a) *Any amount needed to augment the amounts*  
27      *appropriated in Schedule (1) or (2) to ensure*  
28      *full funding for the 2005–06 fiscal year.*

(b) *Once the amount needed to satisfy subdivision (a) is determined, the remaining funds shall be allocated on a one-time basis to SELPAs. These funds shall be allocated on the basis of the average daily attendance of each SELPA. Local educational agencies shall use these funds for one-time purposes, including, but not limited to, the following: to assist students with disabilities pass the California High School Exit Examination, instructional materials, or other one-time expenditures for students with disabilities. First priority for the use of these funds shall be to provide services to pupils with disabilities who are required to pass the California High School Exit Examination in order to receive a diploma in 2006 and who have failed one or both parts of that examination.*

*SEC. 4. Item 6110-161-0890 of Section 2.00 of the Chapter 38 of the Statutes of 2005 is amended to read:*

6110-161-0890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60-Special Education Programs for Exceptional Children .....	1,149,044,000
Schedule:	
(1) 10.60.050.012-Local Agency Entitlements, IDEA Special Education.....	970,398,000
(2) 10.60.050.013-State Agency Entitlements, IDEA Special Education .....	2,152,000
(3) 10.60.050.015-IDEA, Local Entitlements, Preschool Program .....	59,240,000
(4) 10.60.050.021-IDEA, State Level Activities .....	73,220,000
(5) 10.60.050.030-P.L. 99-457, Preschool Grant Program .....	39,161,000

- |   |  |           |
|---|--|-----------|
| 1 | (6) 10.60.050.031-IDEA, State Improve- |           |
| 2 | ment Grant, Special Education .....    | 2,079,000 |
| 3 | (7) 10.60.050.032-IDEA, Family Em-     |           |
| 4 | powerment Centers .....                | 2,794,000 |

## Provisions:

1. If the funds for Part B of the federal Individuals with Disabilities Education Act that are actually received by the state exceed \$1,132,573,000, at least 95 percent of the funds received in excess of that amount shall be allocated for local entitlements and to state agencies with approved local plans. Up to 5 percent of the amount received in excess of \$1,132,573,000 may be used for state administrative expenses upon approval of the Department of Finance. If the funds for Part B of the federal Individuals with Disabilities Education Act that are actually received by the state are less than \$1,132,573,000, the reduction shall be taken in other state level activities.
2. The funds appropriated in Schedule (2) shall be distributed to state-operated programs serving disabled children from 3 to 21 years of age, inclusive. In accordance with federal law, the funds appropriated in Schedules (1) and (2) shall be distributed to local and state agencies on the basis of the federal Individuals with Disabilities Education Act permanent formula.



- 1 3. Of the funds appropriated in Schedule (4) ~~of this~~  
2 ~~item~~, \$2,500,000 shall be allocated directly to spe-  
3 cial education local plan areas for a personnel devel-  
4 opment program that meets the highly qualified  
5 teacher requirements and ensures that all personnel  
6 necessary to carry out this part are appropriately  
7 and adequately prepared, subject to the require-  
8 ments of Section 612 (a)(14) of the Individuals  
9 with Disabilities Education Improvement Act of  
10 2004 and Section 2122 of the Elementary and Sec-  
11 ondary Education Act of 1965. The local in-service  
12 programs shall include a parent training component  
13 and may include a staff training component, and  
14 may include a special education teacher component  
15 for special education service personnel and parapro-  
16 fessionals, consistent with state certification and li-  
17 censing requirements. Use of these funds shall be  
18 described in the local plans. These funds may be  
19 used to provide training in alternative dispute reso-  
20 lution and the local mediation of disputes. All pro-  
21 grams are to include evaluation components.
- 22 4. Of the funds appropriated in Schedule (4) ~~of this~~  
23 ~~item~~, up to \$300,000 shall be used to develop and  
24 test procedures, materials, and training for alterna-  
25 tive dispute resolution in special education.
- 26 5. Of the funds appropriated by Schedule (5) for the  
27 Preschool Grant Program, \$1,228,000 shall be used  
28 for in-service training and shall include a parent  
29 training component and may, in addition, include a  
30 staff training program. These funds may be used to  
31 provide training in alternative dispute resolution  
32 and the local mediation of disputes. This program  
33 shall include state-sponsored and local compo-  
34 nents.

- 1       6. Of the funds appropriated in this item, \$1,420,000 is  
2       available for local assistance grants for the Quality  
3       Assurance and Focused Monitoring Pilot Program  
4       to monitor local educational agency compliance  
5       with state and federal laws and regulations govern-  
6       ing special education. This funding level is to be  
7       used to continue the facilitated reviews and, to the  
8       extent consistent with the key performance indica-  
9       tors developed by the State Department of Educa-  
10      tion, these activities focus on local educational  
11      agencies identified by the United States Depart-  
12      ment of Education's Office of Special Education  
13      Programs.
- 14      7. The funds appropriated in Schedule (7) shall be used  
15      for the purposes of Family Empowerment Centers  
16      on Disabilities pursuant to Chapter 690 of the  
17      Statutes of 2001.
- 18      8. Notwithstanding the notification requirements listed  
19      in subdivision (d) of Section 26.00, the Department  
20      of Finance is authorized to approve intraschedule  
21      transfers of funds within this item submitted by the  
22      State Department of Education for the purposes of  
23      ensuring that special education funding provided in  
24      this item is appropriated in accordance with the  
25      statutory funding formula required by federal  
26      IDEA and the special education funding formula  
27      required pursuant to Chapter 7.2 (commencing with  
28      Section 56836) of Part 30 of the Education Code,  
29      without waiting 30 days, but shall provide a notice  
30      to the Legislature each time a transfer occurs.

- 1 9. Of the funds appropriated in Schedule (4) ~~of this~~  
2 ~~item~~, \$69,000,000 shall be used exclusively to sup-  
3 port mental health services that are provided during  
4 the 2005–06 fiscal year by county mental health  
5 agencies pursuant to Chapter 26.5 (commencing  
6 with Section 7570) of Division 7 of the Govern-  
7 ment Code and that are included within an individu-  
8 alized education program pursuant to the federal In-  
9 dividuals with Disabilities Education Act. Each  
10 county office of education receiving these funds  
11 shall contract, on behalf of special education local  
12 planning areas in their county, with the county  
13 mental health agency to provide specified mental  
14 health services. This funding shall be considered  
15 offsetting revenues within the meaning of subdivi-  
16 sion (e) of Section 17556 of the Government Code  
17 for any reimbursable mandated cost claim for provi-  
18 sion of the mental health services provided in  
19 2005–06. Amounts allocated to each county office  
20 of education shall reflect the share of the  
21 \$69,000,000 in federal special education funds pro-  
22 vided to that county in 2004–05 for mental health  
23 services provided pursuant to Chapter 26.5 (com-  
24 mencing with Section 7570) of Division 7 of the  
25 Government Code.
- 26 10. Of the amount appropriated in Schedule (1) ~~of this~~  
27 ~~item~~, \$58,377,000 represents the increase in the lo-  
28 cal assistance portion of the federal grant in  
29 2005–06. These funds have been passed through to  
30 be used by each SELPA for discretionary purposes  
31 *in a manner that is consistent with the federal Indi-*  
32 *viduals with Disabilities Education Act.*

33  
34 *SEC. 5. Item 6110-204-0001 is added to Section 2.00 of*  
35 *Chapter 38 of Statutes of 2005, to read:*

6110-204-0001—For local assistance, State Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for allocation to school districts to increase the number of pupils that pass the California High School Exit Examination ..... 20,000,000

Provisions:

1. The funds appropriated in this item are available to assist eligible pupils, as defined in subdivision (a) of Section 37254 of the Education Code, who are required to pass the California High School Exit Examination in order to receive a diploma in 2006.
2. The funds in this item shall be allocated by the State Department of Education as specified in Section 37254 of the Education Code no later than October 1, 2005.

SEC. 6. Item 6110-243-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

6110-243-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the unscheduled Pupil Retention Block Grant pursuant to Article 2 of Chapter 3.2 (commencing with Section 41505) of the Education Code ..... ~~193,257,000~~ 173,257,000

Provisions:

1. Of the funds appropriated in this item, \$1,139,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent. Additionally, \$7,031,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.
2. Notwithstanding any other provision of law, an additional \$26,726,000 in expenditures for this item has been deferred until the 2006–07 fiscal year.

3. ~~Notwithstanding any other provision of law, of the funds appropriated in this item, \$20,000,000 shall be available to help eligible pupils pass the California High School Exit Examination (CAHSEE):~~

(a) ~~An eligible pupil is a pupil who is required to pass the CAHSEE in order to receive a diploma in 2006 and who has failed one or both parts of that examination:~~

(b) ~~The Superintendent of Public Instruction shall rank schools on the basis of the percentage of eligible pupils. The superintendent may give priority to schools with the highest percentage of pupils who have failed both parts of the examination:~~

(c) ~~The superintendent shall apportion \$1,000 per eligible pupil to schools identified pursuant to subdivision (b) in the order determined by the superintendent until the funds are exhausted:~~

(d) ~~The funds apportioned pursuant to this provision shall be used to provide the services allowed under the Pupil Retention Block Grant or other intensive instruction and services designed to help eligible pupils pass the CAHSEE. The intensive instruction and services may be provided during the regular school day and may include, but are not limited to the following: hiring additional teachers; purchasing, scoring, and reviewing diagnostic assessments; designing instruction to meet specific needs of eligible pupils; teacher training; and individual or small group instruction.~~

(e) ~~As a condition of receipt of these funds the school shall ensure that (i) each eligible pupil receives an appropriate diagnostic assessment to identify that pupil's areas of need and (ii) each pupil receives intensive instruction and services based upon the diagnostic assessment.~~

SECTION 1. ~~Section 2558.46 of the Education Code is amended to read:~~

~~2558.46. (a) (1) For the 2003-04 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 1.195 percent deficit factor.~~

~~(2) For the 2004-05 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 0.323 percent deficit factor.~~

~~(3) For the 2003-04 and 2004-05 fiscal years, the revenue limit for each county superintendent of schools determined pursuant to this article shall be further reduced by a 1.826 percent deficit factor.~~

~~(4) For the 2005-06 and 2006-07 fiscal years, the revenue limit for each county superintendent of schools determined pursuant to this article shall be further reduced by a 0.901 percent deficit factor.~~

~~(b) In computing the revenue limit for each county superintendent of schools for the 2007-08 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 2003-04, 2004-05, 2005-06, and 2006-07 fiscal years without being reduced by the deficit factors specified in this section.~~

~~SEC. 2. Section 8484.7 of the Education Code is amended to read:~~

~~8484.7. It is the intent of the Legislature that the 21st Century Community Learning Centers program contained within the federal No Child Left Behind Act of 2001 (P.L. 107-110) complement the After School Education and Safety Program established by Article 22.5 (commencing with Section 8482) to provide the local flexibility needed to implement federal 21st Century Community Learning Centers programs through direct grants as specified in this article.~~

~~SEC. 3. Section 8484.8 of the Education Code is amended to read:~~

~~8484.8. In accordance with Part B of Title IV of the federal No Child Left Behind Act of 2001 (P.L. 107-110), of the funds appropriated in Item 6110-197-0890 of Section 2.00 of the Budget Act of 2002, funds shall be available for expenditure as follows:~~

1 ~~(a) The amount of one million dollars (\$1,000,000) shall be~~  
2 ~~available to the department for purposes of providing technical~~  
3 ~~assistance, evaluation and training services, for carrying out~~  
4 ~~programs related to 21st Century Community Learning Center~~  
5 ~~programs.~~

6 ~~(b) (1) An amount of up to three million five hundred~~  
7 ~~thousand dollars (\$3,500,000) shall be available for direct grants,~~  
8 ~~in an amount not to exceed twenty-five thousand dollars~~  
9 ~~(\$25,000) per site, per year, for community learning center~~  
10 ~~programs that serve middle and elementary school pupils for~~  
11 ~~providing equitable access to, and participation in, community~~  
12 ~~learning center programs, according to needs determined by the~~  
13 ~~local community.~~

14 ~~(2) The department shall determine the requirements for~~  
15 ~~eligibility for a grant under this subdivision, consistent with the~~  
16 ~~following:~~

17 ~~(A) Consistent with the local partnership approach inherent in~~  
18 ~~Article 22.5 (commencing with Section 8482), grants awarded~~  
19 ~~under this subdivision shall provide supplemental assistance to~~  
20 ~~programs. It is not intended that a grant fund the full anticipated~~  
21 ~~costs of the services provided by a community learning center~~  
22 ~~program.~~

23 ~~(B) In determining the need for a grant pursuant to this~~  
24 ~~subdivision, the department shall base its determination on a~~  
25 ~~needs assessment and a determination that existing resources are~~  
26 ~~not available to meet these needs, including, but not limited to, a~~  
27 ~~description of how the needs, strengths, and resources of the~~  
28 ~~community have been assessed, currently available resources,~~  
29 ~~and the justification for additional resources for that purpose.~~

30 ~~(C) The department shall award grants for a specific purpose,~~  
31 ~~as justified by the applicant.~~

32 ~~(3) To be eligible to receive a grant under this subdivision, the~~  
33 ~~designated public agency representative for the applicant shall~~  
34 ~~certify that an annual fiscal audit will be conducted and that~~  
35 ~~adequate, accurate records will be kept. In addition, each~~  
36 ~~applicant shall provide the department with the assurance that~~  
37 ~~funds received under this subdivision are expended only for those~~  
38 ~~services and supports for which they are granted. The department~~  
39 ~~shall require grant recipients to submit annual budget reports, and~~  
40 ~~the department shall have the authority to withhold funds in~~

1 subsequent years if direct grant funds are expended for purposes  
2 other than as awarded.

3 (e) Up to one million dollars (\$1,000,000) shall be available  
4 for direct grants of up to twenty thousand dollars (\$20,000) per  
5 site, per year, for providing family literacy services only to those  
6 schoolsites that identify such a need for families of 21st Century  
7 Community Learning Center program pupils, and that  
8 demonstrate a fiscal hardship by certifying that existing resources  
9 including, but not limited to, funding for Title III of the No Child  
10 Left Behind Act of 2001 (P.L. 107-110), Chapter 3 (commencing  
11 with Section 300) of Part 1, adult education, community college,  
12 and the federal Even Start Program are not available or are  
13 insufficient to serve these families. An assurance that the funds  
14 received under this subdivision are expended only for those  
15 services and supports for which they were granted shall be  
16 required.

17 (d) Of the remaining funds in Item 6110-197-0890 of Section  
18 2.00 of the Budget Act of 2002, two million five hundred  
19 thousand dollars (\$2,500,000) shall be allocated on a priority  
20 basis for grants to community learning center programs serving  
21 high school pupils, and the remainder of this amount shall be  
22 allocated on a priority basis for programs for middle and  
23 elementary school pupils.

24 (e) Grant awards under this section shall be restricted to those  
25 applications that propose primarily to serve pupils that attend  
26 schoolwide programs, as described in Title I of the No Child Left  
27 Behind Act of 2001. Competitive priority shall be given to  
28 applications that propose to serve children and youth in schools  
29 designated as being in need of improvement under subsection (b)  
30 of Section 6316 of Title 20 of the United States Code, and that  
31 are jointly submitted by school districts and community-based  
32 organizations. Applications to serve pupils in programs that have  
33 received grants under Article 22.5 (commencing with Section  
34 8482) shall be funded only when proposing to expand in  
35 additional sites or to add pupils to a currently funded site.

36 (f) (1) Core funding grants for programs serving middle and  
37 elementary school pupils in before and after school programs  
38 shall be 150 percent of the per pupil rates and maximum grant  
39 amounts established pursuant to Sections 8483.7 and 8483.75 for  
40 similar state funded programs.



~~(2) Funding for each grant shall be allocated in annual increments for a period not to exceed five years.~~

~~(3) (A) Up to 15 percent of the initial annual grant amount for each core grant recipient may be utilized for startup costs, which funding need not be based on pupil attendance.~~

~~(B) In addition to the amount described in subparagraph (A), up to 15 percent of each annual grant amount for each core grant recipient may be utilized for administrative costs, which funding need not be based on pupil attendance.~~

~~(C) Under no circumstance shall funding for startup or administrative costs result in an increase in the grant recipient's total funding above the approved grant amount.~~

~~(4) Each grantee shall identify the federal, state, and local programs that will be combined or coordinated with the proposed program for the most effective use of public resources, and to describe a plan for continuing the program beyond federal grant funding. Grantees shall submit annual attendance data and results to facilitate evaluation and compliance with provisions established by the department. Programs receiving grants under this subdivision are not assured of grant renewal from future state or federal funding at the conclusion of the grant period.~~

~~(g) A total annual grant award for core funding and direct grants for a site serving elementary or middle school pupils shall be fifty thousand dollars (\$50,000) per year or more, consistent with federal requirements.~~

~~(h) Grants for programs serving high school pupils at schoolsites or sites of other organizations, as determined to be eligible by the department and consistent with the provisions of the 21st Century Community Learning Centers program, shall be available as an annual minimum grant of fifty thousand dollars (\$50,000) per year. Grant funding above the minimum shall be determined in proportion to the average daily attendance of the high school program site or sites to be served and other factors including, but not limited to, proposed attendance and effective use of resources as determined by the department up to two hundred and fifty thousand dollars (\$250,000) per year for five years. A grantee that establishes a high school program pursuant to this subdivision shall be subject to annual reporting and recertification as required by the department. After the second year, the department shall reduce funding of programs in which~~

~~1 actual attendance is significantly below proposed attendance  
2 levels. An evaluation of the program funded pursuant to this  
3 subdivision shall be submitted no later than 180 days after the  
4 completion of the second year of the program. The department  
5 shall provide the results of that evaluation and work with the  
6 Legislature, the Department of Finance, program providers, and  
7 other interested parties to adopt or restructure a high school after  
8 school program for California that is both programmatically and  
9 fiscally sound. Grantees shall be eligible for fourth and fifth year  
10 funding consistent with the restructured requirements. Each  
11 grantee shall be required to identify the federal, state, and local  
12 programs that will be combined or coordinated with the proposed  
13 program for the most effective use of public resources and to  
14 describe a plan for continuing the program beyond federal grant  
15 funding. Grantees shall be required to submit annual attendance  
16 data results to facilitate evaluation and compliance with  
17 provisions established by the department. Programs receiving  
18 grants under this subdivision are not assured of grant renewal  
19 from future state or federal funding at the conclusion of the grant  
20 period.~~

~~21 (i) Funds received but unexpended under this article may be  
22 carried forward to subsequent years consistent with federal  
23 requirements. In year one, the full grant may be retained.~~

~~24 (j) This article shall be operative only to the extent that federal  
25 funds are made available for the purposes of this article. It is the  
26 intent of the Legislature that this article not be considered a  
27 precedent for general fund augmentation of either the state  
28 administered, federally funded program of this article, or any  
29 other state funded before or after school program.~~

~~30 SEC. 4. Section 41203.1 of the Education Code is amended to  
31 read:~~

~~32 41203.1. (a) For the 1990-91 fiscal year and each fiscal year  
33 thereafter, allocations calculated pursuant to Section 41203 shall  
34 be distributed in accordance with calculations provided in this  
35 section. Notwithstanding Section 41203, and for the purposes of  
36 this section, school districts, community college districts, and  
37 direct elementary and secondary level instructional services  
38 provided by the State of California shall be regarded as separate  
39 segments of public education, and each of these three segments  
40 of public education shall be entitled to receive respective shares~~

1 of the amount calculated pursuant to Section 41203 as though the  
2 calculation made pursuant to subdivision (b) of Section 8 of  
3 Article XVI of the California Constitution were to be applied  
4 separately to each segment and the base year for the purposes of  
5 this calculation under paragraph (1) of subdivision (b) of Section  
6 8 of Article XVI of the California Constitution were based on the  
7 1989-90 fiscal year. Calculations made pursuant to this  
8 subdivision shall be made so that each segment of public  
9 education is entitled to the greater of the amounts calculated for  
10 that segment pursuant to paragraph (1) or (2) of subdivision (b)  
11 of Section 8 of Article XVI of the California Constitution.

12 (b) If the single calculation made pursuant to Section 41203  
13 yields a guaranteed amount of funding that is less than the sum of  
14 the amounts calculated pursuant to subdivision (a), then the  
15 amount calculated pursuant to Section 41203 shall be prorated  
16 for the three segments of public education.

17 (c) Notwithstanding any other law, this section does not apply  
18 to the 1992-93 to 2005-06 fiscal years, inclusive.

19 SEC. 5. Section 42238.146 of the Education Code is amended  
20 to read:

21 42238.146. (a) (1) For the 2003-04 fiscal year, the revenue  
22 limit for each school district determined pursuant to this article  
23 shall be reduced by a 1.198 percent deficit factor.

24 (2) For the 2004-05 fiscal year, the revenue limit for each  
25 school district determined pursuant to this article shall be reduced  
26 by a 0.323 percent deficit factor.

27 (3) For the 2003-04 and 2004-05 fiscal years, the revenue limit  
28 for each school district determined pursuant to this article shall  
29 be further reduced by a 1.826 percent deficit factor.

30 (4) For the 2005-06 and 2006-07 fiscal years, the revenue limit  
31 for each school district determined pursuant to this article shall  
32 be reduced by a 0.909 percent deficit factor.

33 (b) In computing the revenue limit for each school district for  
34 the 2007-08 fiscal year pursuant to this article, the revenue limit  
35 shall be determined as if the revenue limit for that school district  
36 had been determined for the 2003-04, 2004-05, 2005-06, and  
37 2006-07 fiscal years without being reduced by the deficit factors  
38 specified in this section.

39 SEC. 6. Section 44219 of the Education Code is amended to  
40 read:

~~44219. The commission shall meet as deemed appropriate and necessary by the chairperson and the executive committee to accomplish its duties, but shall meet no fewer than once each quarter of the year.~~

~~In order that any allegation of misconduct and the effect thereof, if any, upon the application or credential of a certified employee are determined, as required by subdivision (b) of Section 44244, no later than six months after an investigation is commenced, the commission or the Committee of Credentials shall meet more frequently than once each quarter, if possible.~~

~~SEC. 7. Section 44227 of the Education Code is amended to read:~~

~~44227. (a) The commission may approve any institution of higher education to recommend to the commission the issuance of credentials to persons who have successfully completed a teacher education program of the institution if the program meets the standards approved by the commission.~~

~~(b) An institution of higher education whose teacher education program has been accredited by the commission shall approve and electronically submit credential applications to the commission, and the commission shall grant credentials to these applicants based upon that approval.~~

~~(c) Notwithstanding any provision of law to the contrary, the commission may approve for credit any coursework completed for credential purposes or for step increases in programs offered in California by out-of-state institutions of higher education that meet the requirements prescribed by Chapter 7 (commencing with Section 94700) of Part 59 only if the program of courses is offered by a regionally accredited institution and evidence of satisfactory evaluation by that accrediting body is submitted by the out-of-state institution to the commission for purposes of seeking approval of the program and any courses within that program to enable potential teachers to meet one or more requirements for a teaching credential in California.~~

~~SEC. 8. Section 44242.3 is added to the Education Code, to read:~~

~~44242.3. (a) For purposes of this section, an applicant is defined as an individual who is applying for a credential issued by the commission who has never held a credential or who has~~

1 not held a credential issued by the commission within four years  
2 from the date of submission of the application.

3 (b) Notwithstanding any other provision of law, an applicant  
4 who is subject to investigation by the Committee of Credentials  
5 shall receive notice of the investigation and an opportunity to  
6 respond to the allegations in writing. A summary of the alleged  
7 misconduct and any response from the applicant shall be  
8 presented to the Committee of Credentials. The Committee of  
9 Credentials shall grant or recommend denial of the application  
10 based on the information discovered during the investigation and  
11 the response of the applicant, if any.

12 (c) If the Committee of Credentials recommends the denial of  
13 an application, the applicant may appeal the recommendation  
14 pursuant to Section 44244.1.

15 SEC. 9. Section 44244 of the Education Code is amended to  
16 read:

17 44244. (a) At least 30 days prior to any formal review of the  
18 Committee of Credentials at which the application of an  
19 applicant or credential of a holder is to be considered, the  
20 committee shall notify the applicant or holder of the specific  
21 allegations of misconduct that make the application or credential  
22 subject to adverse action. The notification shall be in ordinary  
23 and concise language and set forth the acts or omissions charged  
24 and the statutes or rules violated. Supplemental allegations of  
25 misconduct shall be sent to the holder or applicant at least 30  
26 days prior to the formal review. The portions of the investigation  
27 of the original or supplemental allegations that constitute the  
28 basis for the allegations shall be open to inspection and copying  
29 by the holder or applicant and his or her attorney. The statement  
30 of the allegations shall inform the applicant or holder that the  
31 allegations, if true, are sufficient to cause his or her application or  
32 credential to be subject to adverse action.

33 (b) (1) The formal review shall be held no later than six  
34 months after the commencement of the initial review as set forth  
35 in subdivision (c) of Section 44242.5. The formal review shall  
36 determine either that no adverse action shall be taken or that the  
37 allegations are sufficient to cause his or her application or  
38 credential to be subject to adverse action.

39 (2) All testimony before the committee shall be verified under  
40 penalty of perjury by oath or affirmation. The chairperson of the

~~1 committee may administer the oath or affirmation. The  
2 chairperson may designate staff to administer the oath or  
3 affirmation for statements taken during the investigation of  
4 allegations of misconduct.~~

~~5 (e) Notwithstanding subdivision (b), the chairperson of the  
6 commission may grant the committee an extension of time, not  
7 exceeding six months, when the committee demonstrates that  
8 additional time is necessary to complete its investigation or  
9 determination, as described in subdivision (b).~~

~~10 (d) The recommendation of the committee shall be in writing  
11 and a copy of the recommendation shall be delivered to the  
12 credential holder or applicant personally or sent to him or her by  
13 mail within 14 days after the formal review, together with  
14 specific information relative to any appeal rights to which the  
15 credential holder or applicant is entitled.~~

~~16 SEC. 10. Section 52055.600 of the Education Code is  
17 amended to read:~~

~~18 52055.600. (a) The High Priority Schools Grant Program is  
19 hereby established. Participation in this program is voluntary.~~

~~20 (b) From funds made available for purposes of this article, the  
21 Superintendent shall allocate a total of four hundred dollars  
22 (\$400) per pupil, including funds received pursuant to Section  
23 52054.5 or for the Comprehensive School Reform Demonstration  
24 Program (Public Law 105-78), to eligible schools for  
25 implementation of a school action plan approved pursuant to this  
26 article.~~

~~27 (c) It is the intent of the Legislature that federal funding  
28 provided pursuant to the Comprehensive School Reform  
29 Demonstration Program (P.L. 105-78) supplement, not supplant,  
30 funding received pursuant to this article.~~

~~31 (d) Funds received pursuant to this article may not be used to  
32 match funds received pursuant to Article 3 (commencing with  
33 Section 52053).~~

~~34 (e) The school district shall keep fiscal records available for  
35 inspection that affirm allocation to schoolsites in accordance with  
36 this section and shall allocate resources in a manner that does not  
37 delay their use.~~

~~38 SEC. 11. Section 52055.605 of the Education Code is  
39 amended to read:~~

1     ~~52055.605.— (a) The Superintendent, with the approval of the~~  
2 ~~State Board of Education, shall identify schools ranked in deciles~~  
3 ~~1 to 5, inclusive, on the Academic Performance Index (API).~~

4     ~~(b) The Superintendent shall invite schools identified pursuant~~  
5 ~~to subdivision (a) to participate in the High Priority Schools~~  
6 ~~Grant Program. Notwithstanding subdivision (h) of Section~~  
7 ~~52053, in order to be eligible for funding from the High Priority~~  
8 ~~Schools Grant Program, a school shall also participate in the~~  
9 ~~Immediate Intervention/Underperforming Schools Program. A~~  
10 ~~school participating in both programs may elect to submit only~~  
11 ~~one application and one plan for both programs. A school~~  
12 ~~participating in the Immediate Intervention/Underperforming~~  
13 ~~Schools Program before the date of the enactment of the act~~  
14 ~~adding this section is also eligible for participation in the High~~  
15 ~~Priority Schools Grant Program.~~

16     ~~(c) Notwithstanding any other provision of law, and if funds~~  
17 ~~are available for this purpose, the Superintendent shall invite a~~  
18 ~~second cohort of schools identified pursuant to subdivision (a) to~~  
19 ~~participate in the High Priority Schools Grant Program beginning~~  
20 ~~in the 2005-06 fiscal year. In order to be eligible for funding~~  
21 ~~pursuant to this section, these schools shall not be required to~~  
22 ~~also participate in the Immediate Intervention/Underperforming~~  
23 ~~Schools Grant Program.~~

24     ~~(d) First priority for participation in the High Priority Schools~~  
25 ~~Grant Program shall be given to schools ranked on the API in~~  
26 ~~decile 1. Second priority shall be given to schools in decile 2.~~  
27 ~~Third priority shall be given to schools in decile 3. Fourth~~  
28 ~~priority shall be given to schools in decile 4. Fifth priority shall~~  
29 ~~be given to schools in decile 5. Within each decile, priority shall~~  
30 ~~be given to the lowest ranked schools. Schools that are receiving~~  
31 ~~or have received funding pursuant to Section 52053, 52054.5, or~~  
32 ~~52055.600 are ineligible to participate in a second cohort of~~  
33 ~~schools funded pursuant to subdivision (c).~~

34     ~~(e) Notwithstanding any other provision of law, and if funds~~  
35 ~~are available for this purpose, the number of schools within the~~  
36 ~~designated cohorts of the Immediate~~  
37 ~~Intervention/Underperforming Schools Program pursuant to~~  
38 ~~Section 52053 may exceed the maximum numbers specified in~~  
39 ~~that section in order to participate in the program established~~  
40 ~~pursuant to this article.~~

~~(f) If a school ranked in decile 1 of the API completes the action plan required as part of the application to participate in the federal Comprehensive School Reform Demonstration Program (P.L. 105-78), but there are insufficient funds to allow that school to participate in that program, so long as the action plan meets the requirements of subdivisions (d) and (e) of Section 52054, that school shall be automatically approved to the extent funding is available for participation in the Immediate Intervention/Underperforming Schools Program and shall be deemed to have complied with the requirements of Section 52054.~~

~~(g) The State Board of Education may allow continuation high schools to apply for and receive funding pursuant to this article if those continuation high schools report pupil performance that is equivalent to that of high schools ranked in deciles 1 and 2 on the API and the board determines that the state will be able to adequately determine growth in pupil performance in a valid and reliable manner for the purpose of accountability pursuant to this article. The State Board of Education may establish a limit on the number of continuation high schools that may be funded to reflect their proportion of high-priority pupils in grades 9 to 12, inclusive, and may adopt criteria limiting the eligibility for funding, pursuant to this article, of continuation high schools with a high level of per pupil funding from the continuation high school revenue limit add-on.~~

~~SEC. 12. Section 52055.610 of the Education Code is amended to read:~~

~~52055.610. (a) The Superintendent shall establish a procedure that is consistent with this article for the approval of applications and school action plans.~~

~~(b) Notwithstanding the existing application process established pursuant to Article 3 (commencing with Section 52053), in developing an action plan to be submitted with the application for funding pursuant to this article, a school may choose from the following options:~~

~~(1) A school district on behalf of an eligible school under its jurisdiction may elect to receive fifty thousand dollars (\$50,000) as a planning grant from funds appropriated for purposes of this article. These planning grant funds shall be used for technical assistance in the development of the school action plan.~~



1 Technical assistance includes assistance provided by school  
2 district personnel, county offices of education, universities, a  
3 state approved external evaluator, or any other entity that has  
4 proven successful expertise specific to the challenges inherent in  
5 high-priority schools. If the school action plan is approved, the  
6 Superintendent shall provide funding for its implementation.  
7 Planning grant funds, as well as other funds available to school  
8 districts pursuant to this article, may be used for ongoing  
9 technical assistance throughout the implementation of the action  
10 plan and continued participation in the program established  
11 pursuant to Article 3 (commencing with Section 52053) and the  
12 program established pursuant to this article.

13 (2) A school district, on behalf of an eligible school under its  
14 jurisdiction, may elect to forego the fifty thousand dollars  
15 (\$50,000) planning grant and immediately submit its application  
16 and school action plan. If a school chooses this option, the  
17 Superintendent shall take one of the following actions:

18 (A) Recommend approval of the application by the State  
19 Board of Education and action plan and provide funding for  
20 implementation of the school action plan.

21 (B) Request additional clarification and technical changes,  
22 after which the school and district shall resubmit the application  
23 and school action plan with the clarifications and changes for  
24 approval. If the application and school action plan is approved,  
25 the Superintendent shall provide funding for implementation of  
26 the school action plan.

27 (C) Disapprove the plan in which case a school district on  
28 behalf of an eligible school under its jurisdiction shall receive a  
29 fifty thousand dollar (\$50,000) planning grant that shall be used  
30 for technical assistance in the redevelopment of the school action  
31 plan according to the department's recommendations. Technical  
32 assistance includes assistance provided by school district  
33 personnel, county offices of education, universities, a state  
34 approved external evaluator, or any other entity that has proven  
35 expertise specific to the challenges inherent in high-priority  
36 schools.

37 (e) The following deadlines apply to the first cohort of schools  
38 in the 2001-02 fiscal year:

1     ~~(1) A school district on behalf of an eligible school under its~~  
2     ~~jurisdiction shall submit the application and school action plan to~~  
3     ~~the Superintendent for review and approval by May 15, 2002.~~

4     ~~(2) The Superintendent shall make a recommendation to the~~  
5     ~~State Board of Education regarding approval or disapproval of~~  
6     ~~applications and school action plans by June 15, 2002. The State~~  
7     ~~Board of Education shall approve or disapprove the application~~  
8     ~~and action plan by June 30, 2002. Upon approval by the State~~  
9     ~~Board of Education, the department shall allocate funding to~~  
10    ~~schools for the implementation of the action plan. If the State~~  
11    ~~Board of Education fails to approve or disapprove the application~~  
12    ~~and school action plan by June 30, 2002, the recommendation of~~  
13    ~~the Superintendent shall be deemed to be adopted and funding~~  
14    ~~for implementation of the action plan shall be allocated.~~

15    ~~(3) If the Superintendent takes the action specified in~~  
16    ~~subparagraph (B) of paragraph (2) of subdivision (b), the school~~  
17    ~~and school district shall resubmit the application and school~~  
18    ~~action plan with the clarifications and changes for approval by~~  
19    ~~August 1, 2002, and the Superintendent shall make a~~  
20    ~~recommendation to the State Board of Education regarding~~  
21    ~~approval or disapproval by September 1, 2002. The State Board~~  
22    ~~of Education shall approve or disapprove the application and~~  
23    ~~action plan by September 30, 2002. If the action plan is~~  
24    ~~approved, the department shall allocate funding to the school~~  
25    ~~district on behalf of an eligible school under its jurisdiction for~~  
26    ~~implementation of the action plan. If the State Board of~~  
27    ~~Education fails to approve or disapprove the application and~~  
28    ~~school action plan by September 30, 2002, the recommendation~~  
29    ~~of the Superintendent shall be deemed to be adopted and funding~~  
30    ~~for implementation of the action plan is to be allocated.~~

31    ~~(4) A school district may request, and the State Board of~~  
32    ~~Education may waive, the deadlines set forth in this subdivision.~~

33    ~~(d) The following deadlines apply for the second cohort of~~  
34    ~~schools in the 2005-06 fiscal year:~~

35    ~~(1) A school district, on behalf of an eligible school under its~~  
36    ~~jurisdiction, shall submit the application and school action plan~~  
37    ~~to the Superintendent for review and approval by March 15,~~  
38    ~~2006.~~

1     ~~(2) (A) The Superintendent shall make a recommendation to~~  
2 ~~the State Board of Education regarding approval or disapproval~~  
3 ~~of applications and school action plans by June 15, 2006.~~

4     ~~(B) The State Board of Education shall approve or disapprove~~  
5 ~~the application and action plan by June 30, 2006. Upon approval~~  
6 ~~by the State Board of Education, the department shall allocate~~  
7 ~~funding to schools for the implementation of the school action~~  
8 ~~plan. If the State Board of Education fails to approve or~~  
9 ~~disapprove the application and school action plan by June 30,~~  
10 ~~2006, the recommendation of the Superintendent shall be deemed~~  
11 ~~to be adopted and funding for implementation of the school~~  
12 ~~action plan shall be allocated.~~

13     ~~(3) If the Superintendent takes the action specified in~~  
14 ~~subparagraph (B) of paragraph (2) of subdivision (b), the school~~  
15 ~~district shall resubmit the application and school action plan with~~  
16 ~~the clarifications and changes for approval by August 1, 2006,~~  
17 ~~and the Superintendent shall make a recommendation to the State~~  
18 ~~Board of Education regarding approval or disapproval by~~  
19 ~~September 1, 2006. The State Board of Education shall approve~~  
20 ~~or disapprove the application and the school action plan by~~  
21 ~~September 30, 2006. If the school action plan is approved, the~~  
22 ~~department shall allocate funding to the school district on behalf~~  
23 ~~of an eligible school under its jurisdiction for implementation of~~  
24 ~~the school action plan. If the State Board of Education fails to~~  
25 ~~approve or disapprove the application and school action plan by~~  
26 ~~September 30, 2006, the recommendation of the Superintendent~~  
27 ~~shall be deemed to be adopted and funding for implementation of~~  
28 ~~the school action plan shall be allocated.~~

29     ~~(4) A school district may request a waiver of, and the State~~  
30 ~~Board of Education may waive, the deadlines established in this~~  
31 ~~subdivision.~~

32     ~~(e) If a school receives implementation funding during the~~  
33 ~~same fiscal year it receives a fifty thousand dollar (\$50,000)~~  
34 ~~planning grant, the planning grant shall be deducted from the~~  
35 ~~amount of implementation funding provided to the school~~  
36 ~~pursuant to subdivision (b) of Section 52055.600.~~

37     ~~(f) Notwithstanding the deadlines specified in this section, if~~  
38 ~~funding is made available for this purpose, the State Board of~~  
39 ~~Education may approve additional applications in the 2002-03~~

1 and 2003-04 fiscal years from school districts that comply with  
2 the requirements of this article.

3 SEC. 13. Section 52055.650 of the Education Code is  
4 amended to read:

5 52055.650. (a) Section 52055.5 does not apply to a school  
6 participating in the High Priority Schools Grant Program.

7 (b) Twenty-four months after receipt of funding for  
8 implementation of the action plan pursuant to Sections 52054.5  
9 and 52055.600, a school that has not met its growth targets each  
10 year shall be subject to review by the State Board of Education.  
11 This review shall include an examination of the school's progress  
12 relative to the components and reports made pursuant to Section  
13 52055.640. The Superintendent, with the approval of the State  
14 Board of Education, may direct that the governing board of a  
15 school take appropriate action and adopt appropriate strategies to  
16 provide corrective assistance to the school in order to achieve the  
17 components and benchmarks established in the school's action  
18 plan.

19 (c) Thirty-six months after receipt of funding to implement a  
20 school action plan, a school that has met or exceeded its growth  
21 target each year shall receive a monetary or nonmonetary award,  
22 under the Governor's Performance Award Program, as set forth  
23 in Section 52057. Funds received pursuant to that section may be  
24 used at the school's discretion.

25 (d) Thirty-six months after receipt of funding to implement a  
26 school action plan, a school that has not met its growth targets  
27 each year, but demonstrates significant growth, as determined by  
28 the State Board of Education, shall continue to participate in the  
29 program and receive funding as specified in Sections 52054.5  
30 and 52055.600.

31 (e) Notwithstanding any other law, the Superintendent, with  
32 the approval of the State Board of Education, shall follow the  
33 course of action prescribed by paragraph (1) or (2) with respect  
34 to a school that does not meet its growth targets within the  
35 periods described in either subdivision (c) or (d), as applicable,  
36 and has failed to show significant growth, as determined by the  
37 State Board of Education.

38 (1) Require the district to enter into a contract with a school  
39 assistance and intervention team.

1     (A) Team members should possess a high degree of  
2 knowledge and skills in the areas of school leadership,  
3 curriculum, and instruction aligned to state academic content and  
4 performance standards, classroom management and discipline,  
5 academic assessment, parent-school relations, and evaluation and  
6 research-based reform strategies and have proven successful  
7 expertise specific to the challenges inherent in high-priority  
8 schools.

9     (B) The team shall provide intensive support and expertise to  
10 implement the school reform initiatives in the plan. Decisions  
11 about interventions shall be data driven. A school assistance and  
12 intervention team shall work with school staff, site planning  
13 teams, administrators, and district staff to improve pupil literacy  
14 and achievement by assessing the degree of implementation of  
15 the current action plan, refining and revising the action plan, and  
16 making recommendations to maximize the use of fiscal resources  
17 and personnel in achieving the goals of the plan. The district  
18 shall provide support and assistance to enhance the work of the  
19 team at the targeted schoolsites.

20     (C) Not later than 60 days after the school's API becomes  
21 public, the team shall complete an initial report. The report shall  
22 include recommendations for corrective actions chosen from a  
23 range of interventions, including the reallocation of district fiscal  
24 resources to ensure that appropriate resources are targeted to  
25 those specific interventions identified in the recommendations of  
26 the team for the targeted schools and other changes deemed  
27 appropriate to make progress toward meeting the school's growth  
28 target. Not later than 90 days after the API is made public, the  
29 governing board of the school district shall adopt the team's  
30 recommendations at a regularly scheduled meeting of the  
31 governing board. The governing board may not place the  
32 adoption on the consent calendar. The report shall be submitted  
33 to the Superintendent and the State Board of Education.

34     (D) No less than three times during the year, the school district  
35 and schoolsite shall present the team with data regarding progress  
36 toward the goals established by the team's initial assessment. The  
37 data shall be presented to the governing board of the school  
38 district at a regularly scheduled meeting. The team shall, to the  
39 extent possible, utilize existing site data. The data shall also be  
40 provided to the Superintendent and the State Board of Education.

1 Every effort shall be made to report this data in a manner that  
2 minimizes the length and complexity of the reporting  
3 requirement in order to maximize the focus on improving pupil  
4 literacy and achievement.

5 (E) An action taken pursuant to this paragraph shall not  
6 increase local costs or require reimbursement by the Commission  
7 on State Mandates.

8 (2) The Superintendent shall assume all the legal rights, duties,  
9 and powers of the governing board with respect to the school.  
10 The Superintendent, in consultation with the State Board of  
11 Education and the governing board of the school district, shall  
12 reassign the principal of that school subject to the findings in  
13 subdivision (i). In addition to reassigning the principal, the  
14 Superintendent, in consultation with the State Board of  
15 Education, shall, notwithstanding any other provision of law, do  
16 at least one of the following:

17 (A) Revise attendance options for pupils to allow them to  
18 attend any public school in which space is available. If an  
19 additional attendance option is made available, this option may  
20 not require either the sending or receiving school district to incur  
21 additional transportation costs.

22 (B) Allow parents or guardians to apply directly to the State  
23 Board of Education for the establishment of a charter school and  
24 allow parents or guardians to establish the charter school at the  
25 existing schoolsite.

26 (C) Under the supervision of the Superintendent, assign the  
27 management of the school to a college, university, county office  
28 of education, or other appropriate educational institution.  
29 However, the Superintendent may not assume the management of  
30 the school.

31 (D) Reassign other certificated employees of the school.

32 (E) Renegotiate a new collective bargaining agreement at the  
33 expiration of the existing collective bargaining agreement.

34 (F) Reorganize the school.

35 (G) Close the school.

36 (f) In addition to the actions listed in subdivision (c), the  
37 Superintendent, in consultation with the State Board of  
38 Education, may take any other action considered necessary or  
39 desirable against the school district or the school district  
40 governing board, including appointment of a new superintendent

1 or suspension of the authority of the governing board with  
2 respect to a school that does not meet its growth targets within  
3 the periods described in either subdivision (b) or (c), as  
4 applicable, and has failed to show significant growth, as  
5 determined by the State Board of Education.

6 (g) Before the Superintendent may take any action against a  
7 principal pursuant to subdivision (c), the Superintendent or a  
8 designee of the Superintendent shall hold a public hearing on the  
9 matter in the school district and make both of the following  
10 findings:

11 (1) A finding that the principal had the authority to take  
12 specific enumerated actions that would have helped the school  
13 meet its performance goals.

14 (2) A finding that the principal failed to take specific  
15 enumerated actions pursuant to paragraph (1).

16 (h) An action taken pursuant to subdivision (c), (f), or (g) shall  
17 not increase local costs or require reimbursement by the  
18 Commission on State Mandates.

19 (i) An action taken pursuant to subdivision (c), (f), or (g) shall  
20 be accompanied by specific findings by the Superintendent and  
21 the State Board of Education that the action is directly related to  
22 the identified causes for continued failure by a school to meet its  
23 performance goals.

24 (j) (1) Notwithstanding subdivision (a), a school participating  
25 in the High Priority Schools Grant Program that received a  
26 planning grant pursuant to subdivision (f) of Section 52053 in the  
27 1999-2000 fiscal year is eligible to receive funding pursuant to  
28 Section 52055.600 in the 2002-03 fiscal year only.

29 (2) Notwithstanding subdivision (a), a school participating in  
30 the High Priority Schools Grant Program that received a planning  
31 grant pursuant to subdivision (f) of Section 52053 in the 2000-01  
32 fiscal year is eligible to receive funding pursuant to Section  
33 52055.600 in the 2002-03 and 2003-04 fiscal years only.

34 (3) Notwithstanding subdivision (a), a school participating in  
35 the High Priority Schools Grant Program that received a planning  
36 grant pursuant to subdivision (f) of Section 52053 in the 2001-02  
37 fiscal year is eligible to receive funding pursuant to Section  
38 52055.600 in only the 2002-03, 2003-04, and 2004-05 fiscal  
39 years.

~~(k) Notwithstanding the growth target timelines set forth in subdivisions (b), (c), (d), and (e), for a school that receives funds pursuant to Section 52055.600 during the 2002-03 or 2003-04 fiscal year, the growth target deadline for subdivision (b) is December 31, 2004, and the growth target deadline for subdivisions (c), (d), and (e) is December 31, 2005.~~

~~(l) A school that receives funds pursuant to Section 52055.600 during the 2005-06 or 2006-07 fiscal year shall meet the growth target specified in subdivision (b) no later than December 31, 2007, and the growth target specified in subdivisions (c), (d), and (e) no later than December 31, 2008.~~

~~SEC. 14. Section 52058 of the Education Code is amended to read:~~

~~52058. Each school district with schools participating in the Immediate Intervention/Underperforming Schools Program established pursuant to Section 52053 shall submit to the Superintendent an evaluation of the impact, costs, and benefits of the program as it relates to the school district and the schools under its jurisdiction that are participating in the program and whether or not the schools met their growth targets, with an analysis of the reasons why the schools have or have not met those growth targets. Costs to develop and submit the evaluation shall be funded with resources provided pursuant to Article 3 (commencing with Section 52053). The evaluation shall be submitted by November 30, subsequent to the first full year of action plan implementation by participating schools, and on November 30, of each year thereafter.~~

~~SEC. 15. Section 56504.5 of the Education Code is amended to read:~~

~~56504.5. (a) The department shall enter into an interagency agreement with another state agency or contract with a nonprofit organization or entity to conduct mediation conferences and due process hearings in accordance with Sections 300.506 and 300.508 of Title 34 of the Code of Federal Regulations.~~

~~(b) The agency or contractor shall provide hearings and mediations in a manner that is consistent with all applicable federal and state laws and regulations, and any other applicable legal authorities.~~



1     ~~(e) The superintendent shall adopt regulations that establish~~  
2     ~~standards for all of the following components of an interagency~~  
3     ~~agreement or contract entered into pursuant to subdivision (a):~~

4     ~~(1) The training and qualifications for mediators and hearing~~  
5     ~~officers.~~

6     ~~(2) The availability of translators and translated documents.~~

7     ~~(3) Prevention of conflicts of interest for mediators and~~  
8     ~~hearing officers.~~

9     ~~(4) The supervision of mediators and hearing officers.~~

10    ~~(5) Monitoring, tracking, and management of cases.~~

11    ~~(6) The process for conducting mediations and due process~~  
12    ~~hearings.~~

13    ~~(7) Communication with parties to mediations and due process~~  
14    ~~hearings.~~

15    ~~(8) The establishment of a committee to advise the agency or~~  
16    ~~contractor with regard to conducting mediations and due process~~  
17    ~~hearings.~~

18    ~~(9) The contents of a manual to describe the procedures of the~~  
19    ~~mediation and due process hearing.~~

20    ~~(d) (1) An agency or contractor shall collect and provide data~~  
21    ~~in standardized formats, which allow the department to manage~~  
22    ~~and report on all mediation and due process activities in the state.~~  
23    ~~An agency or contractor shall propose the manner in which~~  
24    ~~specific data and information will be collected and transmitted~~  
25    ~~electronically and in writing to the department on a quarterly~~  
26    ~~basis. The reports shall contain data to provide the state with~~  
27    ~~information to comply with federal and state regulations for~~  
28    ~~monitoring local programs. An agency or contractor shall~~  
29    ~~identify applicable data to be collected, analyzed, and formatted~~  
30    ~~including, but not limited to, caseloads, status of cases, and~~  
31    ~~outcomes for mediations and hearings.~~

32    ~~(2) The agency or contractor shall, on a quarterly basis,~~  
33    ~~provide the department with information that includes, but is not~~  
34    ~~limited to, all of the following:~~

35    ~~(A) Formal complaints: (i) Number of complaints; (ii) number~~  
36    ~~of complaints with findings; (iii) number of complaints with no~~  
37    ~~findings; (iv) number of complaints not investigated, withdrawn,~~  
38    ~~or no jurisdiction; (v) number of complaints completed or~~  
39    ~~addressed within timelines; and (vi) number of complaints~~  
40    ~~pending.~~

~~(B) Mediations: (i) Number of mediations not related to hearing requests; (ii) number of mediations related to hearing requests; (iii) number of mediation agreements not related to hearing requests; (iv) number of mediation agreements related to hearing requests; and (v) number of mediations pending.~~

~~(C) Due process hearings: (i) Number of hearing requests; (ii) number of hearings held; (iii) number of decisions issued after timelines and extension expired; (iv) number of hearings pending; and (v) number of expedited hearings.~~

~~(3) The agency or contractor shall submit hard copies of hearing decision reports to the department and shall administer and upload all redacted reports on a quarterly basis to the hearing decision database of the department. The agency or contractor shall have the ability to provide the department with the costs of hearings and mediations on both an aggregate and individual basis.~~

~~SEC. 16. Section 56836.11 of the Education Code is amended to read:~~

~~56836.11. (a) For the purpose of computing the equalization adjustment for special education local plan areas for the 1998-99 fiscal year, the Superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance for special education local plan areas:~~

~~(1) Total the amount of funding computed for each special education local plan area exclusive of the amount of funding computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, pursuant to Section 56836.09 for the 1997-98 fiscal year.~~

~~(2) Total the number of units of average daily attendance reported for each special education local plan area for the 1997-98 fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010 as that section read on July 1, 1996, and exclusive of the units of average daily attendance computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area.~~

1 ~~(3) Divide the sum computed in paragraph (1) by the sum~~  
2 ~~computed in paragraph (2) to determine the statewide target~~  
3 ~~amount for the 1997-98 fiscal year.~~

4 ~~(4) Add the amount computed in paragraph (3) to the inflation~~  
5 ~~adjustment computed pursuant to subdivision (d) of Section~~  
6 ~~56836.08 for the 1998-99 fiscal year to determine the statewide~~  
7 ~~target amount for the 1998-99 fiscal year.~~

8 ~~(b) Commencing with the 1999-2000 fiscal year and each~~  
9 ~~fiscal year thereafter, to determine the statewide target amount~~  
10 ~~per unit of average daily attendance for special education local~~  
11 ~~plan areas for the purpose of computing the incidence multiplier~~  
12 ~~pursuant to Section 56836.155, the Superintendent shall multiply~~  
13 ~~the statewide target amount per unit of average daily attendance~~  
14 ~~computed for the prior fiscal year pursuant to this section by one~~  
15 ~~plus the inflation factor computed pursuant to subdivision (b) of~~  
16 ~~Section 42238.1 for the fiscal year in which the computation is~~  
17 ~~made.~~

18 ~~(c) Commencing with the 1999-2000 fiscal year through and~~  
19 ~~including the 2004-05 fiscal year, to determine the statewide~~  
20 ~~target amount per unit of average daily attendance for special~~  
21 ~~education local plan areas for the purpose of computing the~~  
22 ~~inflation adjustment pursuant to paragraph (2) of subdivision (d)~~  
23 ~~of Section 56836.08 and growth pursuant to subdivision (e) of~~  
24 ~~Section 56836.15, the Superintendent shall multiply the statewide~~  
25 ~~target amount per unit of average daily attendance computed for~~  
26 ~~the prior fiscal year pursuant to this section by one plus the~~  
27 ~~inflation factor computed pursuant to subdivision (b) of Section~~  
28 ~~42238.1 for the fiscal year in which the computation is made.~~

29 ~~(d) For the 2005-06 fiscal year, the Superintendent shall make~~  
30 ~~the following computation to determine the statewide target~~  
31 ~~amount per unit of average daily attendance to determine the~~  
32 ~~inflation adjustment pursuant to paragraph (2) of subdivision (d)~~  
33 ~~of Section 56836.08 and growth pursuant to subdivision (c) of~~  
34 ~~Section 56836.15, as follows:~~

35 ~~(1) The 2004-05 fiscal year statewide target amount per unit of~~  
36 ~~average daily attendance less the sum of the 2004-05 fiscal year~~  
37 ~~total amount of federal funds apportioned pursuant to Schedule~~  
38 ~~(1) in Item 6110-161-0890 of Section 2.00 of the Budget Act of~~  
39 ~~2004 for the purposes of special education for individuals with~~  
40 ~~exceptional needs enrolled in kindergarten and grades 1 to 12,~~

1 inclusive, divided by the total average daily attendance computed  
2 for the 2004-05 fiscal year.

3 (2) Multiply the amount computed in paragraph (1) by one  
4 plus the inflation factor computed pursuant to subdivision (b) of  
5 Section 42238.1 for the fiscal year in which the computation is  
6 made.

7 (e) Commencing with the 2006-07 fiscal year and each fiscal  
8 year thereafter, to determine the statewide target amount per unit  
9 of average daily attendance for special education local plan areas  
10 for the purpose of computing the inflation adjustment pursuant to  
11 paragraph (2) of subdivision (d) of Section 56836.08 and growth  
12 pursuant to subdivision (c) of Section 56836.15, the  
13 Superintendent shall multiply the statewide target amount per  
14 unit of average daily attendance computed for the prior fiscal  
15 year pursuant to this section by one plus the inflation factor  
16 computed pursuant to subdivision (b) of Section 42238.1 for the  
17 fiscal year in which the computation is made.

18 SEC. 17. Section 56836.155 of the Education Code is  
19 amended to read:

20 56836.155. (a) On or before November 2, 1998, the  
21 department, in conjunction with the Office of the Legislative  
22 Analyst, shall do the following:

23 (1) Calculate an "incidence multiplier" for each special  
24 education local plan area using the definition, methodology, and  
25 data provided in the final report submitted by the American  
26 Institutes for Research pursuant to Section 67 of Chapter 854 of  
27 the Statutes of 1997.

28 (2) Submit the incidence multiplier for each special education  
29 local plan area and supporting data to the Department of Finance.

30 (b) The Department of Finance shall review the incidence  
31 multiplier for each special education local plan area and the  
32 supporting data, and report any errors to the department and the  
33 Office of the Legislative Analyst for correction.

34 (c) The Department of Finance shall approve the final  
35 incidence multiplier for each special education local plan area by  
36 November 23, 1998.

37 (d) For the 1998-99 fiscal year and each fiscal year thereafter  
38 to and including the 2005-06 fiscal year, the Superintendent shall  
39 perform the following calculation to determine each special

education local plan area's adjusted entitlement for the incidence of disabilities:

(1) The incidence multiplier for the special education local plan area shall be multiplied by the statewide target amount per unit of average daily attendance for special education local plan areas determined pursuant to Section 56836.11 for the fiscal year in which the computation is made.

(2) The amount determined pursuant to paragraph (1) shall be added to the statewide target amount per unit of average daily attendance for special education local plan area determined pursuant to Section 56836.11 for the fiscal year in which the computation is made.

(3) Subtract the amount of funding for the special education local plan area determined pursuant to paragraph (1) of subdivision (a) or paragraph (1) of subdivision (b) of Section 56836.08, as appropriate for the fiscal year in which the computation is made, or the statewide target amount per unit of average daily attendance for special education local plan areas determined pursuant to Section 56836.11 for the fiscal year in which the computation is made, whichever is greater, from the amount determined pursuant to paragraph (2). For the purposes of this paragraph for the 2002-03, 2003-04, 2004-05, and 2005-06 fiscal years, the amount, if any, received pursuant to Section 56836.159 shall be excluded from the funding level per unit of average daily attendance for a special education local plan area. If the result is less than zero, the special education local plan area may not receive an adjusted entitlement for the incidence of disabilities.

(4) Multiply the amount determined in paragraph (3) by either the average daily attendance reported for the special education local plan area for the fiscal year in which the computation is made, as adjusted pursuant to subdivision (a) of Section 56836.15, or the average daily attendance reported for the special education local plan area for the prior fiscal year, as adjusted pursuant to subdivision (a) of Section 56826.15, whichever is less.

(5) If there are insufficient funds appropriated in the fiscal year for which the computation is made for the purposes of this section, the amount received by each special education local plan area shall be prorated.

~~(e) For the 1997-98 fiscal year, the Superintendent shall perform the calculation in paragraphs (1) to (3), inclusive, of paragraph (d) only for the purposes of making the computation in paragraph (1) of subdivision (d) of Section 56836.08, but the special education local plan area may not receive an adjusted entitlement for the incidence of disabilities pursuant to this section for the 1997-98 fiscal year.~~

~~SEC. 18. Section 56836.165 of the Education Code is amended to read:~~

~~56836.165. (a) For the 2004-05 fiscal year and each fiscal year thereafter, the Superintendent shall calculate for each special education local plan area an amount based on (1) the number of children and youth residing in foster family homes, small family homes, and foster family agencies, (2) the licensed capacity of group homes licensed by the State Department of Social Services, and (3) the number of children and youth ages 3 through 21 referred by the State Department of Developmental Services who are residing in skilled nursing facilities or intermediate care facilities licensed by the State Department of Health Services and the number of children and youth ages 3 through 21 referred by the State Department of Developmental Services who are residing in community care facilities licensed by the State Department of Social Services.~~

~~(b) The department shall assign each facility described in paragraphs (1), (2), and (3) of subdivision (a) a severity rating. The severity ratings shall be on a scale from 1 to 14. Foster family homes and small family homes shall be assigned a severity rating of 1. Foster family agencies shall be assigned a severity rating of 2. Facilities described in paragraph (2) of subdivision (a) shall be assigned the same severity rating as its State Department of Social Services rate classification level. For facilities described in paragraph (3) of subdivision (a), skilled nursing facilities shall be assigned a severity rating of 14, intermediate care facilities shall be assigned a severity rating of 11, and community care facilities shall be assigned a severity rating of 8.~~

~~(c) (1) The department shall establish a "bed allowance" for each severity level. For the 2004-05 fiscal year, the bed allowance shall be calculated as described in paragraph (2). For the 2005-06 fiscal year and each fiscal year thereafter, the~~

~~department shall increase the bed allowance by the inflation adjustment computed pursuant to Section 42238.1. The department shall not establish a bed allowance for any facility defined in paragraphs (2) and (3) of subdivision (a) if it is not licensed by the State Department of Social Services or the State Department of Health Services.~~

~~(2) (A) The bed allowance for severity level 1 shall be five hundred two dollars (\$502).~~

~~(B) The bed allowance for severity level 2 shall be six hundred ten dollars (\$610).~~

~~(C) The bed allowance for severity level 3 shall be one thousand four hundred thirty-four dollars (\$1,434).~~

~~(D) The bed allowance for severity level 4 shall be one thousand six hundred forty-nine dollars (\$1,649).~~

~~(E) The bed allowance for severity level 5 shall be one thousand eight hundred sixty-five dollars (\$1,865).~~

~~(F) The bed allowance for severity level 6 shall be two thousand eighty dollars (\$2,080).~~

~~(G) The bed allowance for severity level 7 shall be two thousand two hundred ninety-five dollars (\$2,295).~~

~~(H) The bed allowance for severity level 8 shall be two thousand five hundred ten dollars (\$2,510).~~

~~(I) The bed allowance for severity level 9 shall be five thousand four hundred fifty-one dollars (\$5,451).~~

~~(J) The bed allowance for severity level 10 shall be five thousand eight hundred eighty-one dollars (\$5,881).~~

~~(K) The bed allowance for severity level 11 shall be nine thousand four hundred sixty-seven dollars (\$9,467).~~

~~(L) The bed allowance for severity level 12 shall be thirteen thousand four hundred eighty-three dollars (\$13,483).~~

~~(M) The bed allowance for severity level 13 shall be fourteen thousand three hundred forty-three dollars (\$14,343).~~

~~(N) The bed allowance for severity level 14 shall be twenty thousand eighty-one dollars (\$20,081).~~

~~(d) (1) For each fiscal year, the department shall calculate an out-of-home care funding amount for each special education local plan area as the sum of amounts computed pursuant to paragraphs (2), (3), and (4). The State Department of Social Services and the State Department of Developmental Services~~

1 shall provide the State Department of Education with the  
2 residential counts identified in paragraphs (2), (3), and (4):

3 (2) The number of children and youth residing on April 1 in  
4 foster family homes, small family homes, and foster family  
5 agencies located in each special education local plan area times  
6 the appropriate bed allowance.

7 (3) The capacity on April 1 of each group home licensed by  
8 the State Department of Social Services located in each special  
9 education local plan area times the appropriate bed allowance.

10 (4) The number on April 1 of children and youth (A) ages 3  
11 through 21 referred by the State Department of Developmental  
12 Services who are residing in skilled nursing facilities and  
13 intermediate care facilities licensed by the State Department of  
14 Health Services located in each special education local plan area  
15 times the appropriate bed allowance, and (B) ages 3 through 21  
16 referred by the State Department of Developmental Services who  
17 are residing in community care facilities licensed by the State  
18 Department of Social Services located in each special education  
19 local plan area times the appropriate bed allowance.

20 SEC. 19. Section 69522 of the Education Code is amended to  
21 read:

22 69522. (a) (1) The commission may establish an auxiliary  
23 organization for the purpose of providing operational and  
24 administrative services for the commission's participation in the  
25 Federal Family Education Loan Program, or for other activities  
26 approved by the commission and determined by the commission  
27 to be all of the following:

28 (A) Related to student financial aid.

29 (B) Consistent with the general mission of the commission.

30 (C) Consistent with the purposes of the federal Higher  
31 Education Act of 1965 (Public Law 89-329) and amendments  
32 thereto.

33 (2) The activities approved by the commission under this  
34 subdivision shall not include either of the following:

35 (A) The issuance of bonds.

36 (B) Loan origination or loan capitalization activities. This  
37 paragraph shall not preclude the commission or the auxiliary  
38 organization from undertaking other permitted activities that are  
39 related to student financial aid in partnership with institutions  
40 that conduct loan origination or loan capitalization activities.



1 ~~(b) The auxiliary organization shall be established and~~  
2 ~~maintained as a nonprofit public benefit corporation subject to~~  
3 ~~the Nonprofit Public Benefit Corporation Law in Part 2~~  
4 ~~(commencing with Section 5110) of Division 2 of Title 1 of the~~  
5 ~~Corporations Code, except that, if there is a conflict between this~~  
6 ~~article and the Nonprofit Public Benefit Corporation Law, this~~  
7 ~~article shall prevail.~~

8 ~~(c) (1) The commission shall maintain its responsibility for~~  
9 ~~financial aid program administration, policy leadership program~~  
10 ~~evaluation, and information development and coordination. The~~  
11 ~~auxiliary organization shall provide operational and support~~  
12 ~~services essential to the administration of the Federal Family~~  
13 ~~Education Loan Program and other permitted activities that are~~  
14 ~~related to student financial aid, if those services are determined~~  
15 ~~by the commission to be consistent with the overall mission of~~  
16 ~~the commission.~~

17 ~~(2) The implementation and effectuation of the auxiliary~~  
18 ~~organization shall be carried out so as to enhance the~~  
19 ~~administration and delivery of commission programs and~~  
20 ~~services. The commission shall conduct regular performance~~  
21 ~~evaluations of the operation of auxiliary organizations in~~  
22 ~~furtherance of its fiscal and fiduciary responsibilities for~~  
23 ~~approved programs.~~

24 ~~(d) (1) The operations of the auxiliary organization shall be~~  
25 ~~conducted in conformity with an operating agreement approved~~  
26 ~~annually by the commission. On and after January 1, 2002, the~~  
27 ~~commission may approve an operating agreement for a period~~  
28 ~~not to exceed five years. Prior to approval, the commission shall~~  
29 ~~provide a copy of the proposed operating agreement to the~~  
30 ~~Department of Finance and the Joint Legislative Budget~~  
31 ~~Committee for their review and comment. The operations of the~~  
32 ~~auxiliary organization shall be limited to services prescribed in~~  
33 ~~that agreement.~~

34 ~~(2) Prior to approval of any amendment to an existing~~  
35 ~~operating agreement or any new operating agreement with an~~  
36 ~~auxiliary organization or subsidiary auxiliary organization for the~~  
37 ~~purpose of delineating new services or activities authorized~~  
38 ~~pursuant to subdivision (a), the commission shall provide the~~  
39 ~~Director of Finance and the Joint Legislative Budget Committee~~  
40 ~~with at least 45 days advance notice in writing that includes a~~

1 description of the proposed operating agreement. If the Director  
2 of Finance or the Joint Legislative Budget Committee notifies the  
3 commission regarding issues of concern with the proposed  
4 operating agreement, the commission shall convene a meeting of  
5 appropriate representatives from the commission, the Department  
6 of Finance, and the Legislature to resolve those issues.

7 (e) The commission shall oversee the development and  
8 operations of the auxiliary organization in a manner that ensures  
9 broad public input and consultation with representatives of the  
10 financial aid community, colleges and universities, and state  
11 agencies.

12 SEC. 20. Article 5.6 (commencing with Section 69616) is  
13 added to Chapter 2 of Part 42 of the Education Code, to read:

14  
15 Article 5.6. State Nursing Assumption Program of Loans for  
16 Education (SNAPLE)  
17

18 69616. (a) The Legislature hereby recognizes the growing  
19 need for new faculty members in the nursing field at California's  
20 colleges and universities. This need will be fueled largely by the  
21 large number of current faculty approaching retirement age who  
22 will need to be replaced and the expected growth in enrollment  
23 demand in California. Further, to increase the supply of nurses in  
24 California, there must be an expansion of nursing educator  
25 opportunities in public colleges and universities that will produce  
26 the necessary faculty to teach in nursing programs in the state.

27 (b) The Legislature finds that the rising costs of higher  
28 education, coupled with a shift in available financial aid from  
29 scholarships and grants to loans, make loan repayment options an  
30 important consideration in a student's decision to pursue a  
31 graduate degree in nursing education.

32 (c) It is the intent of the Legislature that the State Nursing  
33 Assumption Program of Loans for Education (SNAPLE) be  
34 designed to encourage persons to complete their graduate  
35 educations and serve as nursing faculty at an accredited  
36 California college or university.

37 (d) As used in this article, "commission" means the Student  
38 Aid Commission.

39 69616.1. (a) Program participants shall meet all of the  
40 following eligibility criteria prior to selection into the program

1 and shall continue to meet these criteria, as appropriate, during  
2 the payment periods:

3 (1) The participant shall be a United States citizen or eligible  
4 noneitizen.

5 (2) The participant shall be a California resident attending an  
6 eligible school or college.

7 (3) The participant shall be making satisfactory academic  
8 progress.

9 (4) The participant shall have complied with United States  
10 Selective Service requirements.

11 (5) The participant shall not owe a refund on any state or  
12 federal educational grant or have delinquent or defaulted student  
13 loans.

14 (b) Any person enrolled in an institution of postsecondary  
15 education and participating in the loan assumption program set  
16 forth in this article may be eligible to receive a conditional  
17 warrant for loan assumption, to be redeemed pursuant to this act  
18 upon becoming employed as a full-time nursing faculty member  
19 at a California college or university or the equivalent of full-time  
20 service as a nursing faculty member employed part-time at two  
21 or more California colleges or universities.

22 (e) (1) The commission shall award loan assumption  
23 agreements to students with demonstrated academic ability and  
24 financial need, as determined by the commission pursuant to  
25 Article 1.5 (commencing with Section 69503).

26 (2) The applicant shall have completed a baccalaureate degree  
27 program or be enrolled in an academic program leading to a  
28 baccalaureate level or a graduate level degree.

29 (3) The applicant shall be currently enrolled in or admitted to  
30 a program in which he or she will be enrolled on at least a  
31 half-time basis each academic term as defined by an eligible  
32 institution. The applicant shall agree to maintain satisfactory  
33 academic progress.

34 (4) The applicant shall have been judged by his or her  
35 postsecondary institution to have outstanding ability on the basis  
36 of criteria that may include, but need not be limited to, any of the  
37 following:

38 (A) Grade point average.

39 (B) Test scores.

40 (C) Faculty evaluations.

1     ~~(D) Interviews.~~

2     ~~(E) Other recommendations.~~

3     ~~(5) In order to meet the costs of obtaining a graduate degree,~~  
4 ~~the applicant shall have received, or be approved to receive, a~~  
5 ~~loan under one or more of the following designated loan~~  
6 ~~programs:~~

7     ~~(A) The Federal Family Education Loan Program (20 U.S.C.~~  
8 ~~Sec. 1071 et seq.).~~

9     ~~(B) The Federal Direct Loan Program.~~

10    ~~(C) Any loan program approved by the commission.~~

11    ~~(6) The applicant shall have agreed to teach nursing on a~~  
12 ~~full-time basis at one or more accredited California colleges or~~  
13 ~~universities for at least three consecutive years, or five part-time~~  
14 ~~academic years, immediately after obtaining a graduate degree.~~

15    ~~(7) An applicant who teaches on less than a full-time basis~~  
16 ~~may participate in the program, but is not eligible for loan~~  
17 ~~repayment until that person teaches for the equivalent of a~~  
18 ~~full-time academic year.~~

19    ~~(d) A person participating in the program pursuant to this~~  
20 ~~section shall not receive more than one loan assumption~~  
21 ~~agreement.~~

22    ~~69616.2. The commission shall commence loan assumption~~  
23 ~~payments pursuant to this article upon verification that the~~  
24 ~~applicant has fulfilled all of the following:~~

25    ~~(a) The applicant has received a graduate degree from an~~  
26 ~~accredited, participating institution.~~

27    ~~(b) The applicant has provided the equivalent of full-time~~  
28 ~~nursing instruction at one or more regionally accredited~~  
29 ~~California colleges or universities for one academic year or the~~  
30 ~~equivalent.~~

31    ~~(c) The applicant has met the requirements of the loan~~  
32 ~~assumption agreement and all other conditions of this article.~~

33    ~~69616.3. The terms of the loan assumptions granted under~~  
34 ~~this article shall be as follows, subject to the specific terms of~~  
35 ~~each loan assumption agreement:~~

36    ~~(a) After a program participant has completed one academic~~  
37 ~~year, or the equivalent of full-time teaching nursing studies, at~~  
38 ~~one or more regionally accredited, eligible California colleges or~~  
39 ~~universities, the commission shall assume up to eight thousand~~  
40 ~~three hundred thirty-three dollars (\$8,333) of the outstanding~~

1 liability of the participant under one or more of the designated  
2 loan programs.

3 (b) After the program participant has completed two  
4 consecutive academic years, or the equivalent of full-time  
5 teaching, at one or more regionally accredited California colleges  
6 or universities, the commission shall assume up to an additional  
7 eight thousand three hundred thirty-three dollars (\$8,333) of the  
8 outstanding liability of the participant under one or more of the  
9 designated loan programs, for a total loan assumption of up to  
10 sixteen thousand six hundred sixty-six dollars (\$16,666).

11 (c) After a program participant has completed three  
12 consecutive academic years, or the equivalent of full-time  
13 teaching, at one or more regionally accredited California colleges  
14 or universities, the commission shall assume up to an additional  
15 eight thousand three hundred thirty-three dollars (\$8,333) of the  
16 outstanding liability of the participant under one or more of the  
17 designated loan programs, for a total loan assumption of up to  
18 twenty-five thousand dollars (\$25,000).

19 69616.4. (a) Except as provided in subdivision (b), if a  
20 program participant fails to complete a minimum of three  
21 consecutive academic years of teaching as required by this article  
22 under the terms of the agreement pursuant to paragraph (6) of  
23 subdivision (c) of Section 69616.1, the participant shall repay  
24 loan forgiveness benefits previously provided through this  
25 program and resume responsibility for any remaining loan  
26 obligations.

27 (b) Notwithstanding subdivision (a), if a program participant  
28 becomes unable to complete one of the three consecutive years of  
29 teaching service due to a serious illness, pregnancy, or other  
30 natural causes, the participant shall receive a deferral of the  
31 resumption of full liability for the loan for a period not to exceed  
32 one academic year.

33 69616.5. (a) The commission shall accept nominations from  
34 accredited colleges and universities made pursuant to this article.

35 (b) The commission shall choose from among those  
36 nominations deemed financially needy with outstanding student  
37 loans pursuant to Article 1.5 (commencing with Section 69503)  
38 based upon criteria that may include the following:

39 (1) Grades at the undergraduate level in a subject field related  
40 to nursing.

1     ~~(2) Grades in the undergraduate program.~~

2     ~~(3) Aptitude for graduate work in the field of nursing.~~

3     ~~(4) General aptitude for graduate study.~~

4     ~~(5) Critical human resource needs.~~

5     ~~(e) The commission may develop additional criteria for the~~  
6 ~~selection of award recipients consistent with the purposes of this~~  
7 ~~article.~~

8     ~~69616.6. The commission shall administer this article, and~~  
9 ~~shall adopt rules and regulations for that purpose. The rules and~~  
10 ~~regulations shall include, but need not be limited to, provisions~~  
11 ~~regarding the period of time for which a warrant shall remain~~  
12 ~~valid and the development of projections for funding purposes. In~~  
13 ~~developing these rules and regulations, the commission shall~~  
14 ~~solicit the advice of representatives from postsecondary~~  
15 ~~education institutions, the Office of Statewide Health Planning~~  
16 ~~and Development, and the nursing community.~~

17     ~~69616.7. The commission shall work to develop a~~  
18 ~~streamlined application process for participation in the program~~  
19 ~~set forth in this article.~~

20     ~~69616.8. The commission shall report annually to the~~  
21 ~~Legislature on this program. The report shall include, but not be~~  
22 ~~limited to, all of the following:~~

23     ~~(a) The total number of loan assumption agreements offered,~~  
24 ~~by education level and institution.~~

25     ~~(b) The number of loan assumption agreements paid out, by~~  
26 ~~education level and institution.~~

27     ~~(c) The number of loan assumption agreements that are~~  
28 ~~redeemed, by year of service (year one through year three).~~

29     ~~(d) The annual and cumulative attrition rate of participants, by~~  
30 ~~education level and institution.~~

31     ~~69616.9. Notwithstanding any other law, in any fiscal year,~~  
32 ~~the commission shall award no more than the number of warrants~~  
33 ~~that are authorized by the Governor and the Legislature in the~~  
34 ~~annual Budget Act for that year for the assumption of loans~~  
35 ~~pursuant to this article.~~

36     ~~69617. It is the intent of the Legislature that, commencing~~  
37 ~~with the 2006-07 fiscal year, funding necessary for the~~  
38 ~~administration of the student loan assumption program~~  
39 ~~implemented pursuant to this article shall be included within the~~  
40 ~~annual budget of the commission.~~

SEC. 21. Section 84754.5 is added to the Education Code, to read:

84754.5. Pursuant to provisions of Chapter 581 of the Statutes of 2004, the board of governors provided the Governor and the Legislature recommendations regarding the design of a workable structure for the annual evaluation of district-level performance in meeting statewide educational outcome priorities. The Legislature recognizes that these recommendations were based on a study process that included input from institutional representatives of community college districts, nationally regarded experts in community college accountability, the Department of Finance, the Office of the Legislative Analyst, community college organizations, and other interested parties. In enacting this section the Legislature hereby establishes a program for the annual reporting and evaluation of district-level performance in achieving priority educational outcomes consistent with the intent of Chapter 581 of the Statutes of 2004. The program includes the following components:

(a) As a condition of receiving specified funds in the annual Budget Act to encourage district-level accountability efforts, community college districts shall provide data, in a format and according to a schedule to be specified by the Office of the Chancellor of the California Community Colleges, for the purpose of the annual report to the Legislature specified in subdivision (b) and for purposes of providing the means for both internal and external assessment of the district's educational offerings in meeting the high-priority educational goals of the state. The chancellor shall withhold, delay, or reduce funds specified in the annual Budget Act to encourage district-level accountability efforts from a district that fails to provide needed data by specified deadlines. If a district's failure to report by specified deadlines results in the omission of required data from, or inclusion of erroneous data in, the annual report required by subdivision (b), the chancellor shall reduce that district's funding as specified in regulations for the implementation of this section.

(b) With data available through its management information system and other data provided pursuant to subdivision (a), and utilizing resources provided for this purpose in the annual Budget Act, the chancellor shall prepare an annual report to the Legislature, the Governor, the Department of Finance, and the

~~Office of the Legislative Analyst evaluating the achievement of educational outcomes for each community college district and, as warranted, each college. This report shall be provided to the Legislature annually on or before March 31, beginning in 2007. Preliminary data reported from the districts shall be provided to the Department of Finance and the Office of the Legislative Analyst by January 31 of each year, beginning in 2007. For each district, and college as warranted, the report shall: (1) include performance data for the immediately preceding fiscal year, reflecting all measures specified in subdivision (c); (2) compare each district's and college's achievement with peer groups within the system as applicable to specific metrics; and (3) compare each district's and college's achievements with that of the system as a whole. The report shall further include a profile with summary background information on each district's or college's educational programs, missions, students, and service area demographics.~~

~~(c) (1) The report shall include, but not be limited to, district or college-level performance on outcome measures in the following categories:~~

~~(A) Student progress and achievement: degrees, certificates, and transfers.~~

~~(B) Student progress and achievement: vocational, occupational, and workforce development.~~

~~(C) Pre-collegiate improvement, including basic skills and English-as-a-second language.~~

~~(2) The specific measures to be included in the report shall reflect the April 2005 board of governors recommendations as refined and amended in consultation with the Department of Finance and the Office of the Legislative Analyst, and shall be periodically reviewed, in consultation with the Department of Finance and the Office of the Legislative Analyst, and, if necessary, modified by the chancellor. It is the intent of the Legislature that specific performance metrics and annual reporting requirements may be specified in annual Budget Acts, if warranted, by changes in state needs, legislative priorities, or the availability of data.~~

~~(d) As a condition of receiving specified funds in the annual Budget Act, each community college district board of trustees shall annually review and adopt its contribution to the~~



1 ~~segmentwide annual report as part of a regularly scheduled and~~  
2 ~~noticed public meeting at which public comment shall be invited.~~

3 ~~(c) The board of governors shall adopt regulations that it~~  
4 ~~deems necessary to carry out this section no sooner than 30 days~~  
5 ~~after notification in writing by the chancellor to the Director of~~  
6 ~~Finance and the Chairperson of the Joint Legislative Budget~~  
7 ~~Committee.~~

8 ~~SEC. 22. Section 17581.5 of the Government Code is~~  
9 ~~amended to read:~~

10 ~~17581.5. (a) A school district may not be required to~~  
11 ~~implement or give effect to the statutes, or portion thereof,~~  
12 ~~identified in subdivision (b) during any fiscal year and for the~~  
13 ~~period immediately following that fiscal year for which the~~  
14 ~~Budget Act has not been enacted for the subsequent fiscal year if~~  
15 ~~all of the following apply:~~

16 ~~(1) The statute or portion thereof, has been determined by the~~  
17 ~~Legislature, the commission, or any court to mandate a new~~  
18 ~~program or higher level of service requiring reimbursement of~~  
19 ~~school districts pursuant to Section 6 of Article XIII B of the~~  
20 ~~California Constitution.~~

21 ~~(2) The statute, or portion thereof, has been specifically~~  
22 ~~identified by the Legislature in the Budget Act for the fiscal year~~  
23 ~~as being one for which reimbursement is not provided for that~~  
24 ~~fiscal year. For purposes of this paragraph, a mandate shall be~~  
25 ~~considered to have been specifically identified by the Legislature~~  
26 ~~only if it has been included within the schedule of reimbursable~~  
27 ~~mandates shown in the Budget Act and it is specifically~~  
28 ~~identified in the language of a provision of the item providing the~~  
29 ~~appropriation for mandate reimbursements.~~

30 ~~(b) This section applies only to the following mandates:~~

31 ~~(1) The School Bus Safety I (CSM-4433) and II (97-TC-22)~~  
32 ~~mandates (Chapter 642 of the Statutes of 1992; Chapter 831 of~~  
33 ~~the Statutes of 1994; and Chapter 739 of the Statutes of 1997).~~

34 ~~(2) The School Crimes Reporting II mandate (97-TC-03; and~~  
35 ~~Chapter 759 of the Statutes of 1992 and Chapter 410 of the~~  
36 ~~Statutes of 1995).~~

37 ~~(3) Investment reports (96-358-02; and Chapter 783 of the~~  
38 ~~Statutes of 1995 and Chapters 156 and 749 of the Statutes of~~  
39 ~~1996).~~

~~(4) County treasury oversight committees (96-365-03; and Chapter 784 of the Statutes of 1995 and Chapter 156 of the Statutes of 1996).~~

~~(5) Grand jury proceedings mandate (98-TC-27; and Chapter 1170 of the Statutes of 1996, Chapter 443 of the Statutes of 1997, and Chapter 230 of the Statutes of 1998).~~

~~SEC. 23. Section 1529.2 of the Health and Safety Code is amended to read:~~

~~1529.2. (a) In addition to the foster parent training provided by community colleges, foster family agencies shall provide a program of training for their certified foster families.~~

~~(b) (1) Every licensed foster parent shall complete a minimum of 12 hours of foster parent training, as prescribed in paragraph (3), before the placement of any foster children with the foster parent. In addition, a foster parent shall complete a minimum of eight hours of foster parent training annually as prescribed in paragraph (4). No child shall be placed in a foster family home unless these requirements are met by the persons in the home who are serving as the foster parents.~~

~~(2) (A) Upon the request of the foster parent for a hardship waiver from the postplacement training requirement or a request for an extension of the deadline, the county may, at its option, on a case-by-case basis, waive the postplacement training requirement or extend any established deadline for a period not to exceed one year, if the postplacement training requirement presents a severe and unavoidable obstacle to continuing as a foster parent. Obstacles for which a county may grant a hardship waiver or extension are:~~

~~(i) Lack of access to training due to the cost or travel required.~~

~~(ii) Family emergency.~~

~~(B) Before a waiver or extension may be granted, the foster parent should explore the opportunity of receiving training by video or written materials.~~

~~(3) The initial preplacement training shall include, but not be limited to, training courses that cover all of the following:~~

~~(A) An overview of the child protective system.~~

~~(B) The effects of child abuse and neglect on child development.~~

~~(C) Positive discipline and the importance of self-esteem.~~

~~(D) Health issues in foster care.~~

1 ~~(E) Accessing education and health services available to foster~~  
2 ~~children.~~

3 ~~(F) The right of a foster child to have fair and equal access to~~  
4 ~~all available services, placement, care, treatment, and benefits,~~  
5 ~~and to not be subjected to discrimination or harassment on the~~  
6 ~~basis of actual or perceived race, ethnic group identification,~~  
7 ~~ancestry, national origin, color, religion, sex, sexual orientation,~~  
8 ~~gender identity, mental or physical disability, or HIV status.~~

9 ~~(4) The postplacement annual training shall include, but not be~~  
10 ~~limited to, training courses that cover all of the following:~~

11 ~~(A) Age-appropriate child development.~~

12 ~~(B) Health issues in foster care.~~

13 ~~(C) Positive discipline and the importance of self-esteem.~~

14 ~~(D) Emancipation and independent living skills if a foster~~  
15 ~~parent is caring for youth.~~

16 ~~(E) The right of a foster child to have fair and equal access to~~  
17 ~~all available services, placement, care, treatment, and benefits,~~  
18 ~~and to not be subjected to discrimination or harassment on the~~  
19 ~~basis of actual or perceived race, ethnic group identification,~~  
20 ~~ancestry, national origin, color, religion, sex, sexual orientation,~~  
21 ~~gender identity, mental or physical disability, or HIV status.~~

22 ~~(5) Foster parent training may be attained through a variety of~~  
23 ~~sources, including community colleges, counties, hospitals, foster~~  
24 ~~parent associations, the California State Foster Parent~~  
25 ~~Association's Conference, adult schools, and certified foster~~  
26 ~~parent instructors.~~

27 ~~(6) A candidate for placement of foster children shall submit a~~  
28 ~~certificate of training to document completion of the training~~  
29 ~~requirements. The certificate shall be submitted with the initial~~  
30 ~~consideration for placements and provided at the time of the~~  
31 ~~annual visit by the licensing agency thereafter.~~

32 ~~(e) Nothing in this section shall preclude a county from~~  
33 ~~requiring county-provided preplacement or postplacement foster~~  
34 ~~parent training in excess of the requirements in this section.~~

35 ~~SEC. 24. Section 270 of the Public Utilities Code, as~~  
36 ~~amended by Section 1 of Chapter 216 of the Statutes of 2004, is~~  
37 ~~amended to read:~~

38 ~~270. (a) The following funds are hereby created in the State~~  
39 ~~Treasury:~~

~~(1) The California High-Cost Fund-A Administrative Committee Fund.~~

~~(2) The California High-Cost Fund-B Administrative Committee Fund.~~

~~(3) The Universal Lifeline Telephone Service Trust Administrative Committee Fund.~~

~~(4) The Deaf and Disabled Telecommunications Program Administrative Committee Fund.~~

~~(5) The Payphone Service Providers Committee Fund.~~

~~(6) The California Teleconnect Fund Administrative Committee Fund.~~

~~(b) Moneys in the funds are the proceeds of rates and are held in trust for the benefit of ratepayers and to compensate telephone corporations for their costs of providing universal service. Moneys in the funds may only be expended pursuant to this chapter and upon appropriation in the annual Budget Act or upon supplemental appropriation. Any appropriation from the California High-Cost Administrative Committee Fund-B for the purposes of the grant program established in Section 276.5 of the Public Utilities Code regarding rural telecommunications infrastructure, may not be made until all of the following events have occurred:~~

~~(1) The United States Supreme Court has decided Iowa Utilities Board v. Federal Communications Commission (219 F.3d 744 (8th Cir.); certiorari granted January 22, 2001).~~

~~(2) The commission recalcuates the statewide average cost to serve a residential line stated in Decision 96-10-066, as it determines to be appropriate.~~

~~(3) The commission is current on all claims made by carriers for service provided in high-cost areas, except for those claims that the commission is in the process of investigating, contesting, or disallowing.~~

~~(c) Moneys in each fund may not be appropriated, or in any other manner transferred or otherwise diverted, to any other fund or entity, except as provided for in Sections 276 and 276.5 of the Public Utilities Code and Sections 19325 and 19325.1 of the Education Code.~~

~~(d) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted~~

1 ~~statute, that is enacted before January 1, 2006, deletes or extends~~  
2 ~~that date.~~

3 ~~SEC. 25. Section 270 of the Public Utilities Code, as~~  
4 ~~amended by Section 2 of Chapter 216 of the Statutes of 2004, is~~  
5 ~~amended to read:~~

6 ~~270. (a) The following funds are hereby created in the State~~  
7 ~~Treasury:~~

8 ~~(1) The California High-Cost Fund-A Administrative~~  
9 ~~Committee Fund.~~

10 ~~(2) The California High-Cost Fund-B Administrative~~  
11 ~~Committee Fund.~~

12 ~~(3) The Universal Lifeline Telephone Service Trust~~  
13 ~~Administrative Committee Fund.~~

14 ~~(4) The Deaf and Disabled Telecommunications Program~~  
15 ~~Administrative Committee Fund.~~

16 ~~(5) The Payphone Service Providers Committee Fund.~~

17 ~~(6) The California Teleconnect Fund Administrative~~  
18 ~~Committee Fund.~~

19 ~~(b) Moneys in the funds are the proceeds of rates and are held~~  
20 ~~in trust for the benefit of ratepayers and to compensate telephone~~  
21 ~~corporations for their costs of providing universal service.~~  
22 ~~Moneys in the funds may only be expended pursuant to this~~  
23 ~~chapter and upon appropriation in the annual Budget Act or upon~~  
24 ~~supplemental appropriation.~~

25 ~~(c) Moneys in each fund may not be appropriated, or in any~~  
26 ~~other manner transferred or otherwise diverted, to any other fund~~  
27 ~~or entity, except as provided in Sections 19325 and 19325.1 of~~  
28 ~~the Education Code.~~

29 ~~(d) This section shall become operative on January 1, 2006.~~

30 ~~SEC. 26. Section 903.7 of the Welfare and Institutions Code~~  
31 ~~is amended to read:~~

32 ~~903.7. (a) There is in the State Treasury the Foster Children~~  
33 ~~and Parent Training Fund. The moneys contained in the fund~~  
34 ~~shall be used exclusively for the purposes set forth in this section.~~

35 ~~(b) For each fiscal year beginning with the 1981-82 fiscal~~  
36 ~~year, except as provided in Sections 15200.1, 15200.2, 15200.3,~~  
37 ~~15200.8, and 15200.81, and Section 17704 of the Family Code,~~  
38 ~~the Department of Child Support Services shall determine the~~  
39 ~~amount equivalent to the net state share of foster care collections~~  
40 ~~attributable to the enforcement of parental fiscal liability~~

1 pursuant to Sections 903, 903.4, and 903.5. On July 1, 1982, and  
2 every three months thereafter, the department shall notify the  
3 Chancellor of the Community Colleges, the Department of  
4 Finance, and the Superintendent of Public Instruction of the  
5 above-specified amount. The Department of Child Support  
6 Services shall authorize the quarterly transfer of any portion of  
7 this amount for any particular fiscal year exceeding three million  
8 seven hundred fifty thousand dollars (\$3,750,000) of the net state  
9 share of foster care collections to the Treasurer for deposit in the  
10 Foster Children and Parent Training Fund, except that,  
11 commencing with the 2002-03 fiscal year, a total of not more  
12 than three million dollars (\$3,000,000) may be transferred to the  
13 fund in any fiscal year.

14 (e) (1) If sufficient moneys are available in the Foster  
15 Children and Parent Training Fund, up to three million dollars  
16 (\$3,000,000) shall be allocated for the support of foster parent  
17 training programs conducted in community colleges. The  
18 maximum amount authorized to be allocated pursuant to this  
19 subdivision shall be adjusted annually by a cost-of-living  
20 increase each year based on the percentage given to discretionary  
21 education programs. Funds for the training program shall be  
22 provided in a separate budget item in that portion of the Budget  
23 Act pertaining to the Chancellor of the California Community  
24 Colleges, to be deposited in a separate bank account by the  
25 Chancellor of the California Community Colleges.

26 (2) The chancellor shall use these funds exclusively for foster  
27 parent training, as specified by the chancellor in consultation  
28 with the California State Foster Parents Association and the State  
29 Department of Social Services.

30 (3) The plans for each foster parent training program shall  
31 include the provision of training to facilitate the development of  
32 foster family homes and small family homes to care for no more  
33 than six children who have special mental, emotional,  
34 developmental, or physical needs.

35 (4) The State Department of Social Services shall facilitate the  
36 participation of county welfare departments in the foster parent  
37 training program. The California State Foster Parents  
38 Association, or the local chapters thereof, and the State  
39 Department of Social Services shall identify training participants  
40 and shall advise the chancellor on the form, content, and

methodology of the training program. Funds shall be paid monthly to the foster parent training program until the maximum amount of funds authorized to be expended for that program is expended. No more than 10 percent or seventy-five thousand dollars (\$75,000) of these moneys, whichever is greater, shall be used for administrative purposes; of the 10 percent or seventy-five thousand dollars (\$75,000), no more than ten thousand dollars (\$10,000) shall be expended to reimburse the State Department of Social Services for its services pursuant to this paragraph.

(d) Beginning with the 1983-84 fiscal year, and each fiscal year thereafter, after all allocations for foster parent training in community colleges have been made, any moneys remaining in the Foster Children and Parent Training Fund may be allocated for foster children services programs pursuant to Chapter 11.3 (commencing with Section 42920) of Part 24 of the Education Code.

(e) (1) The Controller shall transfer moneys from the Foster Children and Parent Training Fund to the Chancellor of the California Community Colleges and the Superintendent of Public Instruction as necessary to fulfill the requirements of subdivisions (c) and (d).

(2) After the maximum amount authorized in any fiscal year has been transferred to the Chancellor of the California Community Colleges and the Superintendent of Public Instruction, the Controller shall transfer any remaining funds to the General Fund for expenditure for any public purpose.

(f) This section shall be operative until June 30, 2005, and thereafter is operative only if specified in the annual Budget Act or in another statute.

SEC. 27. The Superintendent of Public Instruction shall reduce funding for basic aid school districts from the categorical education funds appropriated in Section 2.00 of the Budget Act of 2005 by a total of one million one hundred twenty-six thousand dollars (\$1,126,000). The reduction shall be calculated as follows:

(a) The Superintendent shall calculate a reduction for each school district that was a basic aid school district in the 2004-05 fiscal year that is proportionate to its revenue limit as determined

1 at the second principal apportionment of the 2004-05 fiscal year  
2 that will achieve the amount of savings specified in this section.

3 ~~(b) (1) On or before September 15, 2005, the Superintendent~~  
4 ~~shall notify each school district of the reduction amount~~  
5 ~~calculated for that district pursuant to subdivision (a).~~

6 ~~(2) On or before December 1, 2005, school district shall notify~~  
7 ~~the Superintendent of the specific categorical education programs~~  
8 ~~in which the reductions for that district shall be applied and the~~  
9 ~~amount of the reduction for each program, provided that no~~  
10 ~~reduction may be made to a program identified as requiring a~~  
11 ~~maintenance of effort. The Superintendent shall withhold or~~  
12 ~~recover the identified amount of funds as necessary.~~

13 ~~(3) This section does not obligate the state to refund or repay~~  
14 ~~reductions made pursuant to this section. A decision by a school~~  
15 ~~district to reduce funding pursuant to this section for a~~  
16 ~~state-mandated local program shall constitute a waiver of the~~  
17 ~~subvention of funds that the school district is otherwise entitled~~  
18 ~~to pursuant to Section 6 of Article XIII B of the California~~  
19 ~~Constitution in the amount so reduced, and that decision shall be~~  
20 ~~made only after the school district first considers reductions to~~  
21 ~~voluntary categorical education programs.~~

22 ~~(c) If a school district does not receive property tax revenue~~  
23 ~~sufficient to fully fund its revenue limit during the 2005-06 fiscal~~  
24 ~~year, as determined at the second principal apportionment for the~~  
25 ~~2005-06 fiscal year, any reductions to that district's categorical~~  
26 ~~education funding by this section shall be restored.~~

27 ~~(d) No later than June 26, 2006, the Superintendent shall~~  
28 ~~report to the Controller and the Director of Finance the amount to~~  
29 ~~be reduced from each categorical education program and identify~~  
30 ~~the corresponding item of appropriation in the Budget Act of~~  
31 ~~2005 to be reduced. The final reductions shall equal the total~~  
32 ~~amount to be reduced pursuant to subdivision (a), less the amount~~  
33 ~~restored pursuant to subdivision (c). On June 30, 2006, the~~  
34 ~~amounts appropriated by the Budget Act of 2005 in the items~~  
35 ~~identified by the Superintendent are hereby reduced by the~~  
36 ~~amounts reported by the Superintendent. The amounts so reduced~~  
37 ~~shall revert to the General Fund. The reductions pursuant to this~~  
38 ~~subdivision shall be reductions in the amount appropriated for~~  
39 ~~purposes of Section 8 of Article XVI of the California~~  
40 ~~Constitution for the 2005-06 fiscal year.~~



(e) ~~For purposes of this section, “basic aid school district” means a school district that does not receive from the state, for any fiscal year in which the section is applied, an apportionment of state funds pursuant to subdivision (h) of Section 42238 of the Education Code.~~

~~SEC. 28. Notwithstanding Sections 42238.1 and 42238.15 of the Education Code or any other law, the cost-of-living adjustment for Items 6110-104-0001, 6110-105-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001, 6110-189-0001, 6110-190-0001, 6110-196-0001, 6110-232-0001, 6110-234-0001, 6110-244-0001, and 6110-246-0001 of Section 2.00 of the Budget Act of 2005, and those items identified in subdivision (b) of Section 12.40 of the Budget Act of 2005, shall be 4.23 percent. All funds appropriated in the items identified in this section are in lieu of the amounts that would otherwise be appropriated pursuant to any other law.~~

~~SEC. 29. Notwithstanding any other law, the funds appropriated pursuant to Items 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-156-0001, 6110-161-0001, 6110-190-0001, and 6110-211-0001 of Section 2.00 of the Budget Act of 2004 (Ch. 208, Stats. 2004) shall be available for liquidation through July 31, 2007, and after that date, all remaining unexpended funds in those items shall revert to the Proposition 98 Reversion Account.~~

~~SEC. 30. Notwithstanding any other law, the funds appropriated pursuant to Items 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-156-0001, 6110-161-0001, 6110-190-0001, 6110-211-0001, and 6110-243-0001 of Section 2.00 of the Budget Act of 2005 (Ch. \_\_, Stats. 2005) shall be available for liquidation through July 31, 2008, and after that date, all remaining unexpended funds in those items shall revert to the Proposition 98 Reversion Account.~~

~~SEC. 31. (a) (1) The sum of six hundred five million ninety-four thousand dollars (\$605,094,000) is hereby appropriated from the General Fund in accordance with the following schedule:~~

~~(2) Of the amount appropriated in paragraph (1), the following amounts are appropriated for expenditure during the 2006-07 fiscal year:~~

1     ~~(A) The sum of six million two hundred twenty-seven~~  
2     ~~thousand dollars (\$6,227,000) to the State Department of~~  
3     ~~Education for apprenticeship programs to be expended consistent~~  
4     ~~with the requirements specified in Item 6110-103-0001 of~~  
5     ~~Section 2.00 of the Budget Act of 2005.~~

6     ~~(B) The sum of sixty-three million three hundred ninety-one~~  
7     ~~thousand dollars (\$63,391,000) to the State Department of~~  
8     ~~Education for supplemental instruction to be expended consistent~~  
9     ~~with the requirements specified in Item 6110-104-0001 of~~  
10    ~~Section 2.00 of the Budget Act of 2005. Of the amount~~  
11    ~~appropriated by this subparagraph, fifty-one million sixty-one~~  
12    ~~thousand dollars (\$51,061,000) shall be expended consistent with~~  
13    ~~Schedule (1) of Item 6110-104-0001 of Section 2.00 of the~~  
14    ~~Budget Act of 2005, and twelve million three hundred thirty~~  
15    ~~thousand dollars (\$12,330,000) shall be expended consistent with~~  
16    ~~Schedule (2) of that item.~~

17    ~~(C) The sum of twenty-six million seven hundred twenty-six~~  
18    ~~thousand dollars (\$26,726,000) to the State Department of~~  
19    ~~Education for the Pupil Retention Block Grant to be expended~~  
20    ~~consistent with the requirements specified in Item~~  
21    ~~6110-243-0001 of Section 2.00 of the Budget Act of 2005.~~

22    ~~(D) The sum of thirty-nine million six hundred thirty thousand~~  
23    ~~dollars (\$39,630,000) to the State Department of Education for~~  
24    ~~regional occupational centers and programs to be expended~~  
25    ~~consistent with the requirements specified in Schedule (1) of~~  
26    ~~Item 6110-105-0001 of Section 2.00 of the Budget Act of 2005.~~

27    ~~(E) The sum of fifty-two million five hundred eighty-three~~  
28    ~~thousand dollars (\$52,583,000) to the State Department of~~  
29    ~~Education for home-to-school transportation to be expended~~  
30    ~~consistent with the requirements specified in Schedule (1) of~~  
31    ~~Item 6110-111-0001 of Section 2.00 of the Budget Act of 2005.~~

32    ~~(F) The sum of four million two hundred ninety-four thousand~~  
33    ~~dollars (\$4,294,000) to the State Department of Education for the~~  
34    ~~Gifted and Talented Pupil Program to be expended consistent~~  
35    ~~with the requirements specified in Item 6110-124-0001 of~~  
36    ~~Section 2.00 of the Budget Act of 2005.~~

37    ~~(G) The sum of forty-five million eight hundred ninety-six~~  
38    ~~thousand dollars (\$45,896,000) to the State Department of~~  
39    ~~Education for adult education to be expended consistent with the~~

1 requirements specified in Schedule (1) of Item 6110-156-0001 of  
2 Section 2.00 of the Budget Act of 2005.

3 ~~(H) The sum of four million seven hundred fifty-one thousand~~  
4 ~~dollars (\$4,751,000) to the State Department of Education for~~  
5 ~~community day schools to be expended consistent with the~~  
6 ~~requirements specified in Item 6110-190-0001 of Section 2.00 of~~  
7 ~~the Budget Act of 2005.~~

8 ~~(I) The sum of five million nine hundred forty-seven thousand~~  
9 ~~dollars (\$5,947,000) to the State Department of Education for~~  
10 ~~categorical block grants for charter schools to be expended~~  
11 ~~consistent with the requirements specified in Item~~  
12 ~~6110-211-0001 of Section 2.00 of the Budget Act of 2005.~~

13 ~~(J) The sum of thirty-eight million seven hundred twenty~~  
14 ~~thousand dollars (\$38,720,000) to the State Department of~~  
15 ~~Education for the School Safety Block Grant to be expended~~  
16 ~~consistent with the requirements specified in Schedule (1) of~~  
17 ~~Item 6110-228-0001 of Section 2.00 of the Budget Act of 2005.~~

18 ~~(K) The sum of one hundred million one hundred eighteen~~  
19 ~~thousand dollars (\$100,118,000) to the State Department of~~  
20 ~~Education for Targeted Instructional Improvement Grant~~  
21 ~~Program to be expended consistent with the requirements~~  
22 ~~specified in Item 6110-246-0001 of Section 2.00 of the Budget~~  
23 ~~Act of 2005.~~

24 ~~(L) The sum of two hundred million dollars (\$200,000,000) to~~  
25 ~~the Board of Governors of the California Community Colleges~~  
26 ~~for apportionments, to be expended in accordance with the~~  
27 ~~requirements specified in Schedule (1) of Item 6870-101-0001 of~~  
28 ~~Section 2.00 of the Budget Act of 2005.~~

29 ~~(b) (1) Of the amount appropriated in paragraph (1) of~~  
30 ~~subdivision (a), the following amounts are appropriated for the~~  
31 ~~1995-96, 1996-97, and 2002-03 fiscal years, as specified in~~  
32 ~~paragraphs (2) and (3):~~

33 ~~(A) The sum of sixteen million eight hundred eleven thousand~~  
34 ~~dollars (\$16,811,000) to the Controller to pay for prior year state~~  
35 ~~obligations for K-12 and community college mandate claims and~~  
36 ~~interest. The Controller shall use funds to pay for the oldest~~  
37 ~~claims of those no longer subject to audit pursuant to subdivision~~  
38 ~~(a) of Section 17558.5 of the Government Code, including~~  
39 ~~accrued interest. No payments shall be made from the funds on~~  
40 ~~any claims for the Standardized Testing and Reporting (STAR)~~

~~Program, schoolsite councils, Brown Act reform, School Bus Safety II, or the removal of chemicals. The Controller shall provide reimbursement of claims and interest in accordance with the following schedule:~~

~~(i) The sum of six million eight hundred eleven thousand dollars (\$6,811,000) for reimbursement of claims filed by school districts and county offices of education.~~

~~(ii) The sum of ten million dollars (\$10,000,000) for reimbursement of claims filed by community college districts.~~

~~(2) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, six million eight hundred eleven thousand dollars (\$6,811,000) of the appropriation made by paragraph (1) of subdivision (a) shall be deemed to be "General Fund" revenues appropriated to school districts, as defined in subdivision (c) of Section 41202 of the Education Code, for the 1995-96 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (c) of Section 41202 of the Education Code, for the 1995-96 fiscal year.~~

~~(3) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, nine million twenty-nine thousand dollars (\$9,029,000) of the appropriations made in paragraph (1) of subdivision (a) shall be deemed to be "General Fund" revenues appropriated to community college districts, as defined in subdivision (d) of Section 41202 of the Education Code, for the 1996-97 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (c) of Section 41202 of the Education Code, for the 1996-97 fiscal year.~~

~~(4) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, nine hundred seventy-one thousand dollars (\$971,000) of the appropriations made in paragraph (1) of subdivision (a) shall be deemed to be "General Fund" revenues appropriated to community college districts, as defined in subdivision (d) of Section 41202 of the Education Code, for the 2002-03 fiscal~~

year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2002-03 fiscal year.

(c) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subparagraphs (A) to (K), inclusive, of paragraph (2) of subdivision (a) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2006-07 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2006-07 fiscal year.

(d) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subparagraph (L) of paragraph (2) of subdivision (a) shall be deemed to be “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202 of the Education Code, for the 2006-07 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2006-07 fiscal year.

SEC. 32. Notwithstanding paragraph (1) of subdivision (d) of Section 41207 of the Education Code, the funds appropriated pursuant to subdivision (b) of Section 31 of this act shall be deemed to be in partial satisfaction of the outstanding balance of the Proposition 98 minimum funding obligation for the 1995-96, 1996-97, and 2002-03 fiscal year determined pursuant to Section 41207 of the Education Code and shall be in lieu of the amount that would otherwise be appropriated pursuant to subdivision (d) of that section for the 2006-07 fiscal year and in lieu of one hundred one million eight hundred eleven thousand dollars (\$101,811,000) the amount that would otherwise be appropriated pursuant to subdivision (d) of that section for the 2007-08 fiscal year.

1     ~~SEC. 33.~~

2     *SEC. 7.* This act is an urgency statute necessary for the  
3 immediate preservation of the public peace, health, or safety  
4 within the meaning of Article IV of the Constitution and shall go  
5 into immediate effect. The facts constituting the necessity are:

6     In order to make the necessary statutory changes to implement  
7 the Budget Act of 2005 at the earliest time possible, it is  
8 necessary that this act take effect immediately.

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